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HOUSING ELEMENT TECHNICAL DOCUMENT

2001-2006

CITY OF CUPERTINO

Housing Element: 2001-2006

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1. INTRODUCTION

The Housing Element is one of seven elements required to be included in the City's General Plan. There are specific guidelines developed by the State of California for subjects that must be included in a Housing Element. These guidelines are identified in Article 10.6 of the State of California Government Code.

Article 10.6 specifies that Housing Elements must evaluate the current housing market in a community and then identify programs that will meet housing needs. The housing market evaluation includes a review of housing stock characteristics as well as housing cost, household incomes, special need households, availability of land and infrastructure and various other factors. Also included in this evaluation is the community's "regional housing needs

allocation" which provides an estimate of the number of housing units that should be provided in the community to meet its "fair share" of new households in the region. In addition to this information, the Housing Element document must evaluate and review its past housing programs and consider this review in planning future housing strategies.

The City's previous Housing Element was completed in 1993. Usually, Housing Elements are required to be updated every five years. However, due to budget constraints at the State, regional housing needs data was not available and the five-year period was extended. In 2000, the regional housing needs data for ABAG (Association of Bay Area Governments) communities was finally available. Communities in the ABAG region, such as Cupertino, were instructed to update their Housing Elements using the revised five year time period of 2001-2006.

This document constitutes the City's 2001-2006 Housing Element. The 2001-2006 Housing Element contains the most current information in regard to Cupertino's housing market as of Spring 2001. Unfortunately, only a very limited amount of 2000 U.S. Census data was available at the time this Element was prepared. Therefore, 1990 U.S. Census data is sometimes cited but, as much as possible, is updated with more recent source information.



POPULATION CHANGE

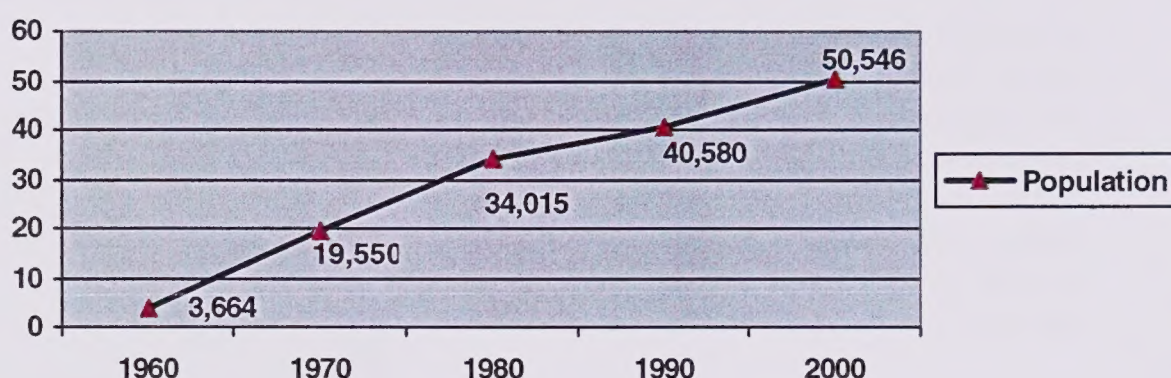
Illustration #1:
Population
Change
1960-2000

POPULATION AND EMPLOYMENT GROWTH

2. HOUSING NEEDS ASSESSMENT

POPULATION INFORMATION

Since its incorporation in 1955, the City of Cupertino's population has increased significantly. In 1955, the population of the incorporated area was less than 2,500 people. By 1960, the population had increased to 3,664 persons. In the three decades since then, the population increased to a total of 50,546 persons.



Source: U.S. Census, 1960-2000

Cupertino is located in Santa Clara County, which has the largest population of any county in the San Francisco Bay region. Santa Clara County is expected to continue to be the most populous county in the future. According to estimates prepared by ABAG (Association of Bay Area Governments), Santa Clara County is expected to increase from 1,755,300 persons in 2000 to 2,016,700 persons in 2020. This is a 14.8% increase in the 20 year period. Much of this growth is expected to occur in the City of San Jose. However, ABAG does project that the population of Cupertino and its sphere of influence will increase by 19% during the 2000-2020 time frame. The estimated population for the city and its sphere of influence in 2020 is estimated to be 66,400 persons.

ABAG also projects that Cupertino's employment will increase during the next two decades. The number of jobs in the City is expected to increase by 20% from 2000-2020. It is estimated by ABAG that approximately 78% of the new job growth in Cupertino during the 2000-2020 time period will be in the service and manufacturing/wholesale sectors. The chart on the following page (Illustration #2) provides some sample jobs and salaries for those two sectors.

As the information in the chart demonstrates, there can be a wide disparity in median hourly wages for employees in the same job sector. For example, in the manufacturing sector, the engineering manager has a median salary which is four times greater than the equipment assembler. According to information reported in the "2001 Index of Silicon Valley" (Joint

Venture: Silicon Valley Network" January 2001, p.16), the disparity between high and low income households has increased in recent years. Higher income households in Santa Clara County experienced a 20% increase in household income between 1993 and 1999 while lower income households experienced a 7% decline.

Services

Computer Engineers	\$33.78 median hourly wage (\$70,262 annual)
Janitors/Cleaners	\$ 7.62 median hourly wage (\$15,849 annual)

Manufacturing

Engineering Manager	\$50.05 median hourly wage (\$104,104 annual)
Equipment Assembler	\$12.30 median hourly wage (\$25,584 annual)

*Source: Department of Employment Development, State of California
Labor Market Information, Winter 2000-2001*

Illustration #2: Typical Jobs/ Salaries in Service and Manufacturing Sectors, County of Santa Clara

The State of California, Employment Development Department, has identified a comprehensive list of typical jobs in Santa Clara County in the services and manufacturing job sectors. The jobs listed above are some examples of jobs in those sectors and reflect median hourly wages estimated for the 1997-2004 time period.

In comparing jobs to households, Cupertino is "job rich." Using ABAG estimates for the year 2000, there were 2.4 jobs for every household in Cupertino. This ratio is typical of other communities in the northern Santa Clara County area. Between 1999-2000, "job rich" northern Santa Clara County gained 16 new jobs for every one housing unit built. "House rich" southern Santa Clara County gained three new jobs for each housing unit built. (Ibid, p.20) The ratio of jobs to households is important because as more jobs are created, there is greater demand on the existing housing stock in the community, prices can be "bid up," and households who cannot find housing end up commuting longer distances to work.

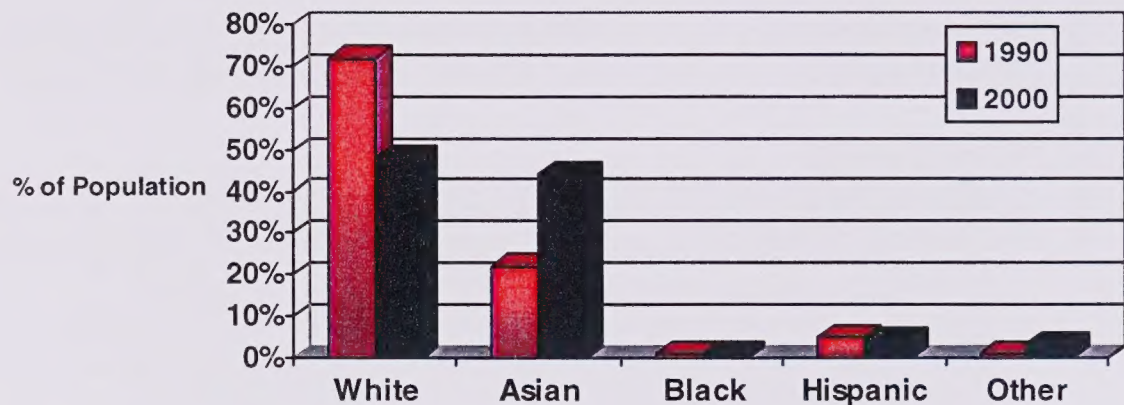
One of the needs identified during the preparation of this Housing Element was the desire to achieve a more balanced jobs and housing ratio. Program # 12 in Chapter 8 of this document addresses this need.

JOBS AND HOUSING

POPULATION BY ETHNICITY

**Illustration #3:
Change in
Ethnicity
1990-2000**

Cupertino's population has become more ethnically diverse. When it was first incorporated in 1955, the community was primarily white with very few minorities. In 1980, the most prevalent ethnic group was Asian-American which represented 6.9% of the population at that time. However, the 2000 U.S. Census data indicated that the Asian population had increased substantially in Cupertino. In fact, the percentage of Asians (44%) is close to the percentage of white persons (50%) in the Cupertino community in 2000.



Source: U.S. Census, 1990 and 2000

It should be noted that the 2000 Census reported ethnic and racial data in a different manner than in the past. Hispanic is reported as an ethnic category and those of Hispanic ethnicity could be reported also as a racial category (e.g. White, Black, Asian, etc.). The data in the table above reflects the percentage of Hispanics of any race as well as the percentage of persons who identified themselves as non-hispanic and white, black, asian, etc. The "other" category in 2000 reflects other smaller racial groups as well as persons who identified their heritage as two or more races.

POPULATION BY AGE

Cupertino's age distribution changed during the 1990-2000 decade. The percentage of children, teenagers and older adults (65 + years) increased while the 20-65 age groups declined.

Age Group	1990 Percent of Total Population	2000 Percent of Total Population	Change 1990-2000
Under 5 Years	6.0%	6.1%	+ 0.1%
5-19 Years	17.8%	22.3%	+ 4.5%
20-54 Years	58.0%	51.9%	- 6.1%
55-64 Years	9.8%	8.7%	- 1.1%
65-74 Years	5.2%	5.8%	+ 0.6%
75+ Years	3.2%	5.2%	+ 2.0%

Source: U.S. Census, 1990 and 2000

The trend of increased percentages in the population groups of children, teenagers and older adults is expected to continue in the future. In fact, the State of California estimates that in California, by 2020, the percentage of children under 18 years of age will grow to 27.4% of the total State population. It is further estimated that persons over the age of 55 years will represent 26% of the total statewide population in 2020.

HOUSEHOLD INFORMATION

For purposes of evaluating housing supply and demand, it is helpful to translate information from population figures into household data. The U.S. Bureau of the Census defines a household as all persons who occupy a housing unit, which may include single persons living alone, families related through marriage or blood, and unrelated individuals living together. Persons living in retirement or convalescent homes, dormitories, or other group living situations are not considered households.

The 2000 U.S. Census data indicated that there were a total of 18,204 households in Cupertino. Approximately 75% of those households were classified as “family” households and the remaining 25% were “non-family households.” Most of the “non-family” households were individuals living alone. Of the total 18,204 households in Cupertino, 21% (3,800 households) included an individual 65 years of age or older.

Household size is an interesting indicator of changes in population or use of housing. An increase in household size can indicate a greater number of large families or a trend toward overcrowded housing units. A decrease in household size, on the other hand, may reflect a greater number of elderly or single person households or a decrease in family size.

According to the 2000 U.S. Census, there were 2.75 persons per household in Cupertino. This is an increase from the 1990 census data which indicated that there were 2.60 persons per household. Cupertino’s 2000 household size does not vary significantly from the averages for Santa Clara County or the State of California.

	City of Cupertino	County of Santa Clara	State of California
Average Household Size in 2000	2.75 Persons	2.92 Persons	2.87 Persons

Source: U.S. Census, 2000

**CURRENT
HOUSEHOLDS**

**HOUSEHOLD
SIZE**

**Illustration #4:
Average
Household Size
2000**

HOUSEHOLDS BY INCOME LEVEL

Illustration #5:
Mean
Household
Income by
Community

In 2000, the mean income for Cupertino was estimated to be \$110,200 per household. (*Projections 2000*, ABAG, December 1999, p. 225) Cupertino's mean household income in 2000 was the sixth highest of all communities in Santa Clara County. Only Saratoga, Los Altos Hills, Los Gatos, Monte Sereno and Los Altos had mean household incomes higher than Cupertino. The chart below compares Cupertino to other communities in Santa Clara County.

Rank	Community	Mean Estimated Household Income in 2000
1	Los Altos Hills	\$250,500
2	Monte Sereno	\$220,900
3	Saratoga	\$184,500
4	Los Altos	\$159,300
5	Los Gatos	\$126,600
6	Cupertino	\$110,200
7	Palo Alto	\$107,100
8	Morgan Hill	\$90,700
9	Milpitas	\$85,200
10	Sunnyvale	\$82,300
11	Mountain View	\$78,100
12	San Jose	\$76,600
13	Campbell	\$74,200
14	Santa Clara	\$72,600
15	Gilroy	\$67,500

Household incomes are expected to increase in the future, according to the ABAG projections. In 2005, the mean household income in Cupertino is expected to be \$117,400 and, in 2010, the mean income is estimated to increase to \$124,000 per household.

When reviewing household income information, it is helpful to evaluate the proportion of households by income level. Typically, households are defined as very low-income, low-income and moderate income. All remaining households then are considered above-moderate or upper income.

Typically, housing programs with federal funding or requirements are available only to the very low and low-income household levels. Housing programs utilizing Redevelopment Tax Increment funds or other State programs are applicable to very low, low and moderate-income households. Listed on the facing page (Illustration #6) are the maximum household income limits by household size that are used by federal, state and local housing programs. The categories are determined by the average household income as a percentage of median income for the area.

*Source: Projections 2000, ABAG, December 1999,
p. 225*

Income Category	1 Person	2 Person	3 Person	4 Person
Very Low Income (0-50% of Median Income)	\$30,550	\$34,900	\$39,300	\$43,650
Low-Income (51-80% of Median Income)	\$48,350	\$55,250	\$62,150	\$69,050
Moderate Income (81-120% of Median Income)	\$73,320	\$83,760	\$94,320	\$104,760

Illustration #6:
Maximum Household Income Limits, 2001

Source: U.S. Department of Housing and Urban Development, "San Jose PMSA Income Limits", Spring 2001

The table above (Illustration #6) indicates household incomes for very low and low-income as used to calculate eligibility for federal, state and local housing programs. The "moderate income" definition as used in the above table (household incomes between 81-120% of median) is the definition used for State and local housing programs.

Estimates of the proportion of households by income level were developed using HUD data from 1990 (CHAS Table 1C for City of Cupertino, 1990). The percentage distributions as estimated in 1990 were applied to year 2000 population estimates. This indicates that in 2000 it is estimated that there were 8.5% very low income (1,547 households) and 4.4% low-income (801 households). The CHAS table uses the federal definition of moderate-income and only identifies households with income from 81-95% of median income. Using the federal definition, 3.9% of Cupertino's households were identified as moderate income. The illustration below (Illustration #7) reflects the estimated percentage of households in the Cupertino community by income level for 2000.

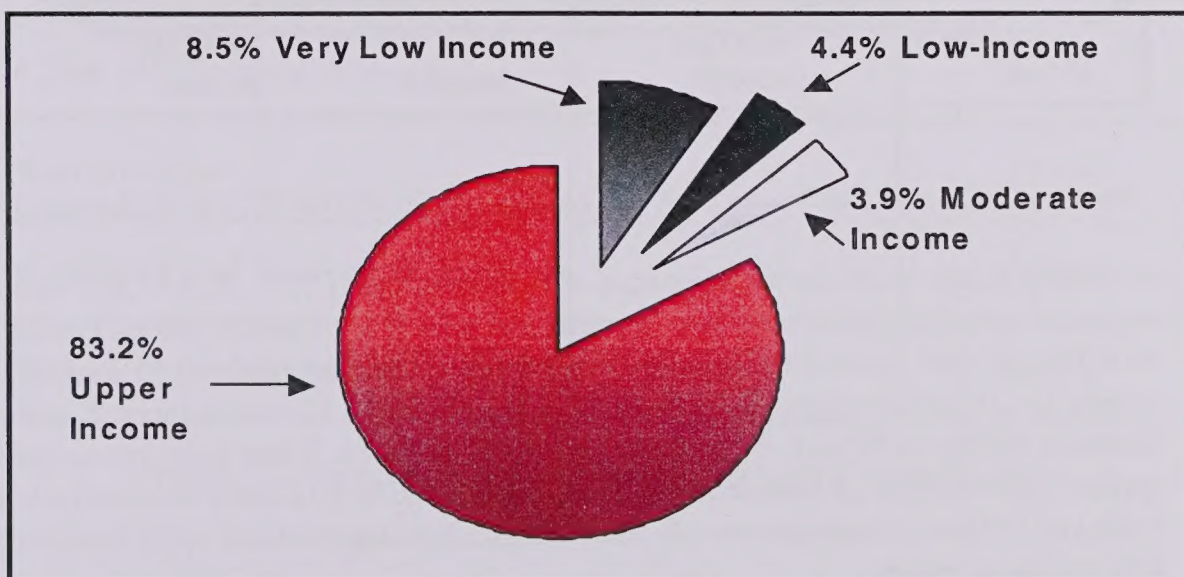


Illustration #7:
Households by Income Level, Estimated for City of Cupertino 2000

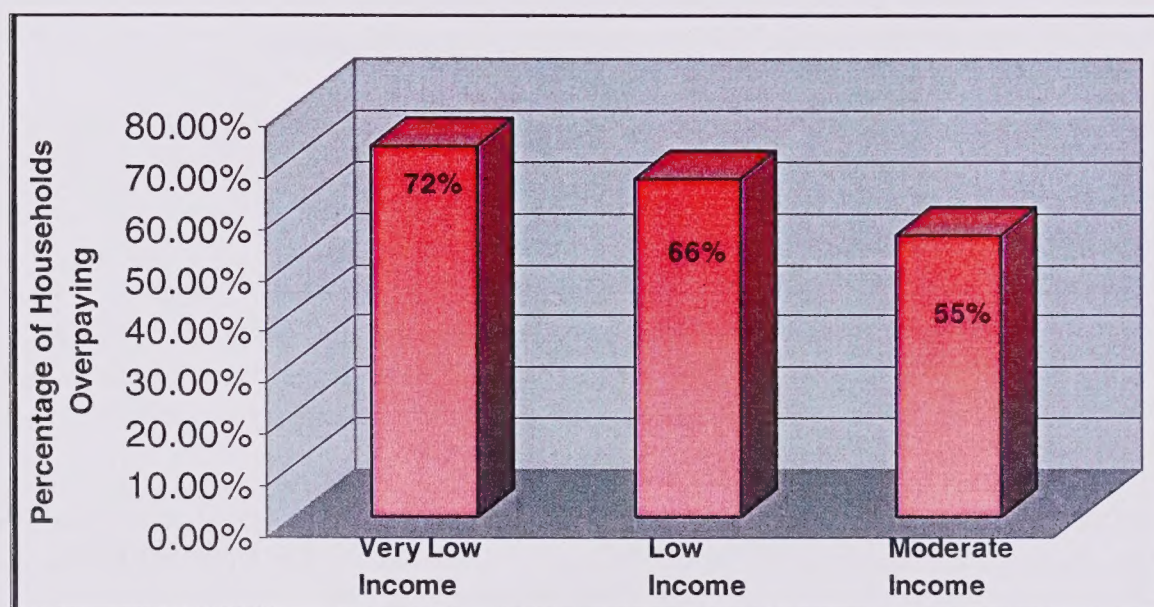
Source: HUD, CHAS Table 1C (City of Cupertino), 1990

HOUSEHOLDS OVERPAYING FOR HOUSING

**Illustration #8:
Households by
Income Level,
Overpaying for
Housing**

While the majority of Cupertino's households are considered "upper income," it is important to note that the households who are lower income are important and valuable members of the labor force. Many of these households are service workers or retail employees who are employed in Cupertino or surrounding communities. For example, a full-time service worker earning \$7 per hour has an annual income of less than \$15,000 per year. Further, in Cupertino, a teacher or public service employee could be classified as a low-income household. For example, a 3-person household with a teacher as the primary wage earner and a spouse who stays at home to care for the child would probably have an income of less than \$62,150 per year and would be considered a low-income household. It is important that the community strive for a goal of providing sufficient affordable housing to meet the needs of varying income groups and job classifications in the City.

Using state and federal definitions, a household is considered to be "overpaying" for housing when they spend more than 30% of their annual income on housing costs. Lower income households typically "overpay" for housing more than moderate and above moderate-income households. In fact, as the household income levels increase, the percentage of households "overpaying" for housing typically decrease.



Source: U.S. Department of Housing and Urban Development, CHAS Table 1C, City of Cupertino, 1990

According to the chart above (Illustration #8), approximately 72% of the City's very low income households (households with incomes less than 50% of median income) paid more than 30% of their income for housing. This figure decreases slightly to 66% of all low-income households (households with incomes from 51-80% of median income) and then decreases further to 55% of all moderate-income households. When these percentages are applied to the number of households in 2001, there would be 1,122 very low income households and 529 low income households overpaying for housing, a total of 1,651 lower income households overpaying.

In Cupertino, overpaying for housing affects very low-income renters the most. Of all renter households in Cupertino at the very lowest end of the income scale (0-30% of median income), approximately 70% were overpaying for housing. For households at 31-50% of median income, 95% of renter households were overpaying for housing. Many of these households are in fact paying more than half of their income for housing. Data for the San Francisco Bay Area indicates that more than half of all very low-income renters pay more than 50% of their income for rent. ("American Housing Survey," 1993 San Francisco and San Jose Metropolitan areas)

Household tenure (owner occupied or renter occupied) is an important characteristic to review in evaluating housing supply and demand. Communities need to have an adequate supply of units available both for rent and for sale in order to accommodate a range of households with varying incomes, family sizes and composition, life styles, etc.

In Cupertino, the majority of housing units are owner-occupied. Of all occupied units in the 2000 U.S. Census, 63.6% were owner-occupied (11,583 households). The remaining 36.4% were renter-occupied units (6,621 households).

HOUSEHOLD TENURE

Illustration #9:
Household
Tenure by
Selected
Communities,
2000

Community	Owner Occupied Units	Renter Occupied Units
Cupertino	64%	36%
Los Gatos	65%	35%
Palo Alto	57%	43%
City of Santa Clara	46%	54%
Saratoga	90%	10%
County of Santa Clara	60%	40%
State of California	57%	43%

Source: U.S. Census Bureau, *Profile of General Demographic Characteristics: 2000*

SPECIAL NEED HOUSEHOLDS

Within each community, there may be certain sub-populations that have special housing needs. For purposes of this Housing Element, following are the households that have been identified as having special housing needs:

1. Homeless Households
2. Large Households and Overcrowded Households
3. Single Parent Households
4. Elderly Households
5. Disabled (Physical and Mental) Households

Farmworker households are also typically considered to be households with special needs. However, a review of all available data for the City of Cupertino indicates that there is not a significant number of farmworker households within the City and, consequently, they are not identified specifically as a group with special needs. The 1990 U.S. Census data identified only 78 persons in the City's labor force who were employed in agricultural work. Information from the State Employment Development Department (EDD) was also reviewed and indicated no significant number of workers employed in the agricultural sector in Cupertino.

HOMELESS HOUSEHOLDS

There are homeless households in Cupertino although they are often "hidden" and not as visible as in other, more urbanized communities. The 1990 U.S. Census data reported no homeless data for Cupertino (there were no individuals identified in "emergency shelters" or "visible on street location"); however, other data does indicate that there are homeless individuals and households in Cupertino.

As part of the County of Santa Clara "Urban County," Cupertino was included in a 1999 survey of homeless individuals. That survey identified 20,000 episodes of homelessness in Santa Clara County. This was an increase from the 1995 survey that identified 16,000 episodes of homelessness in the County. It is important to note that an individual or household could have more than one episode of homelessness in a year.

The 1999 survey did not specifically identify the number of homeless in Cupertino but the survey results were based on interviews conducted with homeless individuals connected with Cupertino Community Services. Some of the more significant data from the countywide survey included:

- ➔ There were twice as many males as females in the homeless population.
- ➔ The majority (79%) of homeless were individuals who were either single, divorced, widowed or separated. Homeless adults with children represented 21% of the survey respondents.
- ➔ The number of working homeless was 34%.
- ➔ Approximately 73% of the homeless listed Santa Clara County as their last place of residence before becoming homeless.
- ➔ The major reasons individuals gave for becoming homeless were:
 1. lack of a job (21%),
 2. lack of affordable housing (17%),
 3. lack of money (14%), and
 4. drug and/or substance abuse (8%).

Staff at Cupertino Community Services report that lack of affordable housing units is one of the primary reasons for homelessness in Cupertino. Further, they have identified the lack

of resources in Cupertino for families with children, especially female-headed households. And, surprisingly, they note that there are now a significant number of homeless with college and/or professional degrees that they have as clients. Incidences where teachers or lawyers are homeless for a period of time and need emergency shelter are not uncommon.

CURRENT PROGRAMS AND RESOURCES		
Name/Title	Provider	Description
Homeless Services	Cupertino Community Services (CCS)	Administers homeless services on behalf of the City.
Rotating Shelters	Consortium of 12 churches	15 beds available for homeless working men. Shelters are a permitted use in the Quasi-Public Zoning District.
Homeless Shelters	Emergency Housing Consortium	Shelters available to Cupertino residents throughout the County.
Domestic Violence Shelters	Support Network for Battered Women (located in Mountain View)	Cupertino residents can be referred to this shelter.
Greenwood Transitional Housing Facility	CCS	Four 3 bedroom units available up to 2 years per stay.
Continuum of Care	City assists funding through the Santa Clara County Urban County Program	Services and housing opportunities for homeless households. Services include outreach and assessment of needs of homeless, emergency shelters and transitional housing links.

CURRENT RESOURCES FOR HOMELESS HOUSEHOLDS

HOMELESS HOUSEHOLDS: PROJECTED HOUSING NEED

Additional affordable housing is the primary need for homeless individuals and families. Further, CCS staff report that there is a need for more transitional housing units, especially those that could serve family households. Female headed households, in particular, are in need of transitional housing opportunities. The Rotating Shelter Program has been operative in Cupertino for over a decade and appears to be effective in serving short-term, emergency needs.

LARGE HOUSEHOLDS AND OVERCROWDED HOUSEHOLDS

Adequate Sites for Homeless Facilities: Rotating shelter facilities are permitted uses in the City's "BQ" (quasi-public facilities) district. The City will revise its Zoning Ordinance in 2001-2002 to allow permanent emergency shelters in the BQ districts also. (See Program #29 on page 70.) In 2001, there were 1.75 vacant acres in the City's BQ districts. Transitional shelters are allowed as permitted uses in all of the City's multi-family residential districts.

"Large households" are households that contain five or more persons. In 1990, the census data demonstrated that approximately 7% of all Cupertino households were large households. Of all large households in Cupertino, 65% were owner-occupants and 35% were renter-occupants. If these percentage figures are applied to the total households in Cupertino in 2000, then 1,274 households are large households (7% of 18,204 total households). Of those 1,274 large households, 828 are estimated to be owner-occupants (65% of all large households) and 446 are estimated to be renter-occupants (35% of all large households).

Large households and overcrowded households are often evaluated together because of the tendency for large households to also be overcrowded households. A household is typically considered to be "overcrowded" when the number of persons living in a housing unit is greater than the number of rooms, excluding bathrooms and kitchens. Overcrowded households are usually a reflection of the lack of affordable housing. Households who cannot afford housing units suitably sized for their households are often forced to live in housing that is too small for their needs. Cultural preferences in living styles may also result in overcrowded households.

According to 1990 U.S. Census data, there were 618 households which could be classified as "overcrowded;" in other words, households with more than one person per room. These 618 households represented 4% of all Cupertino households at that time. In comparison, overcrowded households comprised 11.7% of all households in California for the same time period. If the 4% figure were applied to the total Cupertino households in the year 2000, it would appear that 728 households are estimated to be overcrowded (4% of 18,204 total households in 2000). In 1990, 63% of all overcrowded households were renters. Therefore, it is estimated that 459 households in 2000 are overcrowded and renters.

OVERCROWDED HOUSEHOLDS: PROJECTED HOUSING NEED

There does not appear to be a significant problem with overcrowded households in Cupertino. Only 4% of all households are estimated to be overcrowded. In a suburban community such as Cupertino, it is most likely that these are large family households with children. In addition large, extended families living in one housing unit are often common for households of various ethnic and cultural backgrounds and this preference can also influence the number of overcrowded households in a community.

Female single parent households are much more prevalent than male single parent households. The 1990 U.S. Census reports that there were 520 female-headed households with children under the age of 18 years in Cupertino. These 520 households represent 4.7% of all family households in the City at that time.

A comparison of household income data provides important information regarding single parent, especially female-headed households. The mean income for all married couple families with children in Cupertino was \$89,350 according to the 1990 U.S. Census. However, the mean income for a female head of household for that same time period was only \$39,346 – less than half the income for a married couple. This gap in income level makes it much more difficult for the female headed household to secure decent and affordable housing.

The limited income status of single parent households is also reflected in data provided by the Social Services Agency, County of Santa Clara. In their quarterly statistical data report of public assistance families in the County dated January 2001, single parent households comprised 90% of all Cupertino households assisted with CalWORKS funds (formerly known as Aid to Families with Dependent Children). There were a total of 38 households receiving CalWORKS assistance in Cupertino, 34 of these households were one parent households.

Catholic Social Services provides a service to “match” single parent households in shared housing arrangements. From 1998 - 2000, they provided information and/or assistance to approximately 10-15 Cupertino households annually. In addition to shared housing opportunities, the Simms House is located in Cupertino and provides housing for a limited number of single parent households.

SINGLE PARENT HOUSEHOLDS: PROJECTED HOUSING NEEDS

Affordable housing is one of the more significant needs of single parent households. Limited household income constrains the ability of single parent households to “afford” housing units. Consequently, these households may have to pay more than they can afford for housing for themselves and their children. Or, they may have to rent a housing unit that is too small for their needs because it is the only type of housing that they can afford. Other housing related needs include assistance with security deposits, locating housing that is close to jobs, availability of child care services and proximity to transit services.

Older adult and elderly persons are gradually becoming a more substantial segment of a community’s population. Americans are living longer and are having fuller lives than ever before in our history and are expected to continue to do so. The average life expectancy of a person born in 2000 is 90 years.

SINGLE PARENT HOUSEHOLDS

CURRENT RESOURCES FOR SINGLE PARENT HOUSEHOLDS

SENIOR HOUSEHOLDS

**CURRENT
RESOURCES
FOR SENIORS**

**Illustration
#10:
Services
Available for
Senior
Households**

In 1990, 12% of all Cupertino households included a household member 65 years of age or older. Of those senior households, 22% were renters and 78% were owners. The 2000 U.S. Census indicates that households with a member 65 years of age or older have increased to 21% of all Cupertino households. In 2000, there were a total of 3,800 households with individuals 65 years or older. If the 1990 household tenure distribution is applied to these households, then 2,964 of these households are homeowners and 836 are renters.

ABAG has provided projections for age distributions from 2000-2020 for the region. These estimates indicate that the 65+ years population will increase by almost 90% during that time period. The population of persons 85+ years is expected to almost double in size with two-thirds of that population estimated to be female. These large increases in percentage and number of older adults in our population indicate that there will be an even greater demand for a range of housing opportunities such as independent living facilities, assisted housing or congregate care facilities, group homes, etc.

Santa Clara County's 2000 "Consolidated Plan" (p. 26) document identifies the following critical service areas for seniors:

- protective services for vulnerable elders,
- legal services,
- mental health services,
- affordable and supported senior housing,
- language-related services, and
- in-home services and primary health care services.

The Urban County program has provided supportive service funding for senior and frail seniors to the following organizations: Cupertino Community Services, Catholic Charities Long Term Ombudsman Program and Senior Adults Legal Assistance. The County's rehabilitation program also provides assistance to low income seniors and the County-funded Economic and Social Opportunities Program assists low-income seniors by providing funding for weatherization, removal of architectural barriers to the home and minor home repairs.

Housing-Related Services for Senior Households	
Legal Assistance	Senior Adults Legal Assistance (408) 295-5991
Senior Activities and Geriatric Case Management	Cupertino Senior Center 21251 Stevens Creek Blvd.
General Housing Assistance	Cupertino Community Services (408) 255-8033
Ombudsman Program	Catholic Charities (408) 468-0100
Housing Rehabilitation	Housing and Community Development County of Santa Clara (408) 441-0261



Chateau Cupertino is a Seniors Housing Complex with 10 Units Designated as Affordable Units

Affordable Housing Units Specifically for Senior Households	
Name and Address of Development	Number of Affordable Units
Chateau Cupertino 10150 Torre Avenue	10 Units
Sunnyview West 22449 Cupertino Road	100 Units (elderly and mobility impaired)
Park Circle East 20651 and 20653 Park Circle East	8 Units
Other: Project MATCH (phone 408-287-7121) provides assistance in matching elderly households in shared housing.	

**Illustration #11:
Affordable
Housing
Specifically for
Senior
Households**

The chart above (Illustration #11) identifies affordable units specifically for elderly households. There are other affordable units in the City which are available to both elderly as well as family households. Please see page 38 of this document for a summary table of all affordable units in the City.

SENIOR HOUSEHOLDS: PROJECTED HOUSING NEEDS

The number and percentage of elderly in the population is expected to increase dramatically in coming years. Further, significant increases are expected in the "older" elderly population of 85+ years. One of the most significant needs of the elderly is for affordable housing. Limited or fixed incomes often constrain the ability of elderly households to secure affordable housing. Elderly households also need a range of different type of housing opportunities as they age. Housing developments are needed that provide for independent living as well as assisted living or specialized care arrangements.

DISABLED HOUSEHOLDS

Disability is a broad category that represents persons who are developmentally disabled as well as persons who may have a mobility impairment or a mental illness. The County of Santa Clara's 2000 "Consolidated Plan" (p. 22) estimates that there are as many as 40,000 mobility impaired individuals in the Urban County, representing 14,000 households. The document later (p. 24) identified data from the 1990 U.S. Census regarding disabilities. Specifically, in 1990, 8% of the County population reported a disability that interfered with their ability to work. If this 8% figure was applied to the City's 2000 population of 50,546 persons, then approximately 4,043 individuals could be estimated to have a work-impairing disability.

From a housing perspective, there are several different housing needs of disabled persons. For those disabled with a developmental or mental disability, one of the most significant problems is securing affordable housing that meets their specialized needs. Housing needs can range from institutional care facilities to facilities that support partial or full independence (such as group care homes). Supportive services such as daily living skills and employment assistance need to be integrated into the housing situation also.

In Santa Clara County, the San Andreas Regional Center provides support services for disabled households but housing costs are usually the responsibility of the individual. For most individuals with developmental disabilities, the average range of SSI payment in 2000-2001 was approximately \$600-700 per month. With this level of income, finding affordable housing is very problematic.

Mobility impaired persons are also often in need of affordable housing. In addition, the person with a mobility limitation typically requires housing that is physically accessible. Examples of accessibility in housing include widened doorways and hallways, ramps leading to doorways, modifications to bathrooms and kitchens (lowered countertops, grab bars, adjustable shower heads, etc.) and special sensory devices (smoke alarms, light switches, etc.).

In addition to other community-based services, there are specific programs funded through the "Urban County" program to assist disabled households. These include:

- ➔ Silicon Valley Independent Living Center in Santa Clara:
Provides services to developmentally disabled adults.
- ➔ Mental Health Advocacy Project:
Provides fair housing services to individuals with mental illness or mental disability.
- ➔ Shelter Plus Care Program
Provides rental assistance linked with supportive services for the most difficult to house homeless population, including those with a disability.

CURRENT RESOURCES FOR DISABLED HOUSEHOLDS

**Illustration #12:
Affordable
Housing
Specifically for
Disabled
Households**

Affordable Housing Specifically for Disabled Households	
Name and Address of Development	Number of Affordable Units
Sunnyview West 22449 Cupertino Road	100 Units (Mobility Impaired and Elderly)
Le Beaulieu 10092 Bianchi Way	27 Units
ATIL Group Home (Adults Toward Independent Living) 19147 Anne Lane	Group Home
PACE Group Homes a) 19681 Drake Drive b) 7576 Kirwin Lane	Group Homes

DISABLED HOUSEHOLDS: PROJECTED HOUSING NEEDS

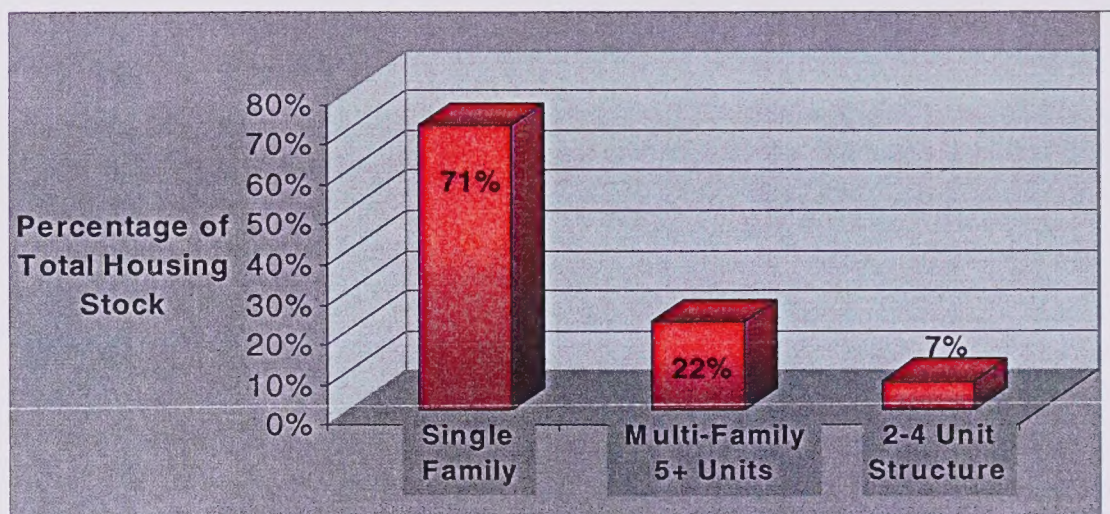
People with disabilities require a wide range of different housing, depending on the type and severity of their disability. Affordable group homes for the mentally and developmentally disabled is a particular need in the area. In addition, "barrier-free" housing is needed for those with mobility limitations. Because people with disabilities often have limited incomes, affordable housing that meets their particular needs is especially critical.

HOUSING UNITS BY TYPE

**Illustration
#13:
Housing Stock
by Type: 2000**

HOUSING STOCK DATA

Cupertino's housing stock was primarily built in the decades after World War II and reflects its suburban, residential character. In 2000, U.S. Census data indicated that there were a total of 18,682 housing units in Cupertino and the majority of those units were single-family housing units. Single-family units (detached and attached) accounted for 71% of the total housing stock in 2000, with the majority of those units being single-family, detached units. Multi-family structures of 5 or more units represent 22% of the housing stock and 2-4 unit structures constitute the remaining 7%. There were a total of 8 mobile homes in Cupertino in 2000.



Source: U.S. Census, 2000

The percentage of single family units in the housing stock has remained fairly constant in Cupertino in the 1990-2000 decade. In 1990, 71.8% of the housing stock were single family units—very similar to the 2000 figure of 71%.

AGE OF HOUSING STOCK

At the time that this Housing Element document was written, 2000 U.S. Census data for age of housing structures was not yet available. Using 1990 U.S. Census data and January 2000 data from the California Department of Finance, the estimated age of housing units was developed. This data indicates that approximately 58.9% of the City's housing stock was built between 1960-79. Less than 15% of the total stock was built prior to 1959. The chart on the facing page identifies the percentage and number of housing units according to the time in which they were estimated to be built.

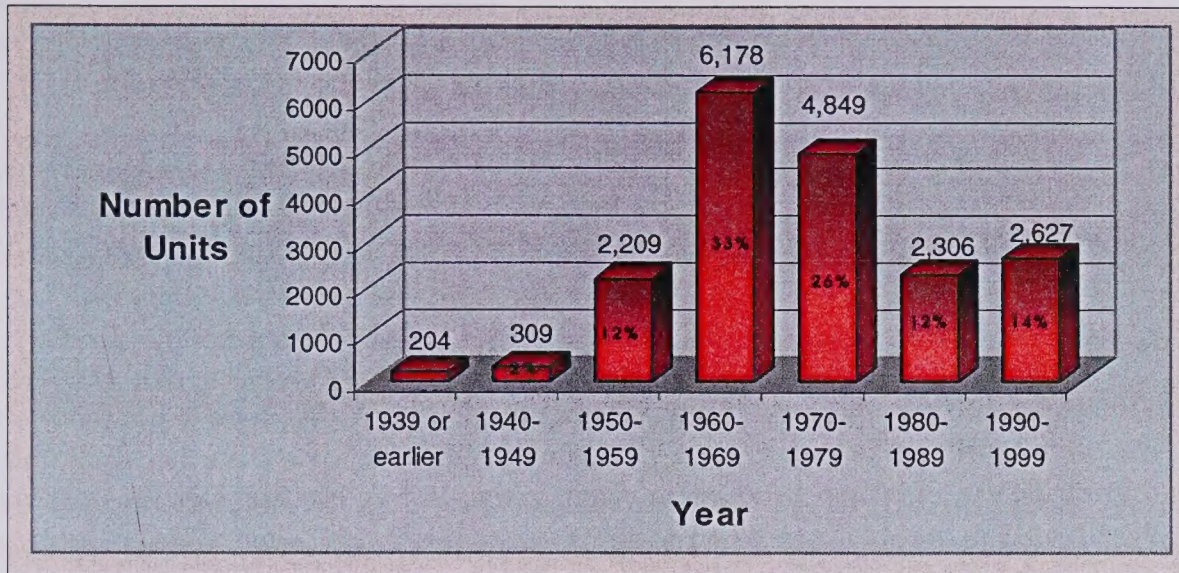


Illustration #14:
Age of Housing
Stock

Source: U.S. Census, 1990 and 2000

A survey conducted by Real Facts (Real Facts, Novato, California, March 2001) of over 4,000 rental apartment unit properties in Cupertino yields some additional information about the age of the housing stock. Their survey indicated that 31% of the apartment units were built prior to 1970, 32% from 1970-80, 5% from 1980-90 and 32% from 1990-2000.

The vacancy rate in a community indicates the percentage of units that are vacant and for sale/rent at any one time. The 2000 U.S. Census indicates that there is a very low vacancy rate in Cupertino. The homeowner vacancy rate in 2000 was 0.6% and the rental vacancy rate was 1.8%. Industry norms indicate that “healthy” vacancy rates are approximately in the 3-5% range. The low vacancy rates in Cupertino indicate a very tight housing market with substantial demand for housing units.

VACANCY RATES

In 1978, the Cupertino adopted a “Condominium Conversion Ordinance” that prohibits conversions of apartments to condominiums unless the vacancy rate exceeds 5%. Since the ordinance was adopted, there have been no apartment conversions.

There is not a significant number of housing units needing repair or replacement in Cupertino. The housing stock in Cupertino has been well-maintained and examples of deteriorated housing units are difficult to locate. Because there is not an obvious need for extensive rehabilitation of units, the City does not maintain any current estimates of units needing rehabilitation. Therefore, the only other estimate available is a countywide estimate of need. It is estimated that 6% of Santa Clara County’s housing stock is substandard. (*The State of California’s Housing Markets 1990-97*, Department of Housing and Community Development, State of California January 1999 p.53) If this percentage is applied to the City’s total 2000 housing stock of 18,682 units then approximately 1,121 units could be estimated to be in need of rehabilitation. However, this figure would be the maximum estimate of units in need of rehabilitation. The actual number of units needing rehabilitation is believed to be significantly lower than this estimate.

HOUSING CONDITION

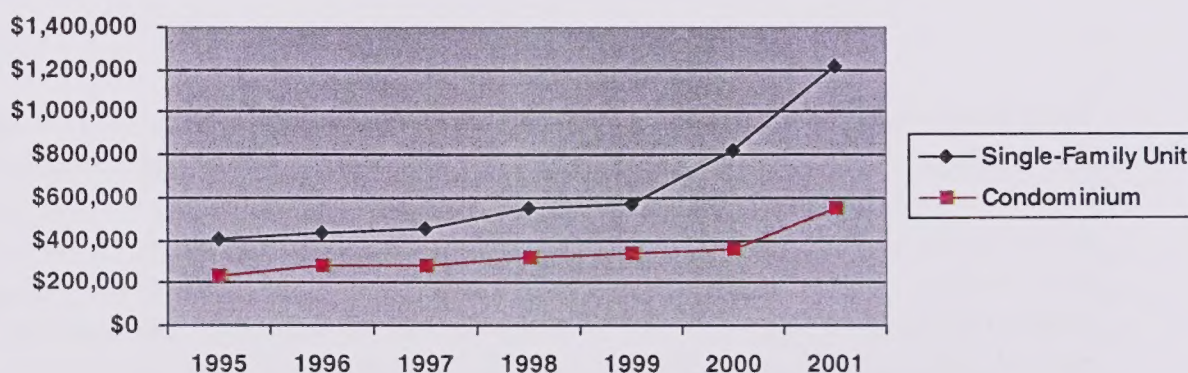
COST OF HOUSING AND AFFORDABILITY

In coordination with the County of Santa Clara, the City has administered a housing rehabilitation program in Cupertino for many years. The average number of units rehabilitated per year is 4-5 units. The City has found a very limited demand for housing rehabilitation assistance but continues to maintain the program and, in 2000-2001, transferred day to day management of the program to the County of Santa Clara.

One issue, however, that the City should monitor is the condition of rental units in the housing stock. As indicated on the previous page, 31% of the City's apartments were built prior to 1970. As these units age, they will need upgrades and repairs. The impact of these costs are going to affect the already high cost of rental housing in the community.

One of the most important factors in evaluating a community's housing market is the cost of housing and, even more significant, whether the housing is affordable to households who live there or would like to live there. Unfortunately, housing costs have increased dramatically in the San Francisco Bay Area in recent years. In fact, the Bay Area has consistently been ranked as one of the most expensive places to live in the United States. A poll sponsored by the "*San Francisco Chronicle*" ("Tales of Housing," *San Francisco Chronicle*, November 26, 2000) underscores this issue. In their poll of San Francisco Bay Area residents, 66% of the respondents stated that they were unable to afford the type of housing they would like in the Bay Area. Responses were also categorized by geographic area and, of those respondents from the Peninsula area, 77% stated that they were unable to afford the type of housing they would like. In other words, three out of four respondents could not afford the type of housing they wanted.

The cost of acquiring a home has increased significantly in recent years. It is especially evident in the Cupertino housing market. In January 2001, the median sales price for a single-family home in Cupertino was in excess of \$1 million dollars. Cupertino is located in the center of Silicon Valley and has a reputation for excellent public school opportunities. The chart below tracks the median sales price of condos and single-family units in Cupertino since 1994. The interesting statistic is the 100+% increase in median sales price in single-family units between 1999 and 2001. This was the period of the "super-charged" housing market in Silicon Valley and other areas of California.



Source: Silicon Valley Association of Realtors, May 2001

Illustration #15:
Median Sales
Prices
City of Cupertino
1995-2001

Using traditional financial formulas, low and moderate-income households are no longer able to purchase the average home in Cupertino. For example, in order to be able to afford to purchase a home at the median sales price of \$1.2 million in Cupertino in 2001, a household would need an income of approximately \$341,839 annually. This assumes a 20% downpayment of \$240,000 and a 30-year traditional mortgage at 8% interest. The monthly mortgage payments would be \$7046.00. Property taxes and insurance are estimated annually to be 1.5% of the purchase amount. The total principal, interest, taxes and insurance cost (PITI) is \$8,546.00 per month. Using normal affordability measures, the household should pay no more than 30% of their income for housing. Therefore, in order to "afford" the \$8,546.00 monthly payment, a household income of \$341,839 per year would be needed. The \$341,839 household income figure far exceeds the average income of low and moderate income households in Cupertino.

The average sales price of a condominium in Cupertino was \$550,000 in January 2001. Using the same formula calculations as identified above, a household would need an income of \$124,359 annually to afford the PITI cost of \$3109.00 per month. This household income figure again exceed the maximum income limits for low and moderate income households.

While homeownership is out of reach for low and moderate-income households at current median prices, the rental market does not provide many more opportunities. According to a rental housing survey conducted in Cupertino in December 2000, the average rent for a multi-family rental unit was \$2,353 per month. The average rent by bedroom size was as follows:

Bedroom Size	Average Monthly Rent
Studio	\$1,655
1 Bedroom	\$1,967
2 Bedroom	\$2,185
3 Bedroom	\$3,207
Average for All Sizes	\$2,353

Source: RealFacts, Novato California December 2000

The survey included over 4,000 apartment units in 22 different properties. This represents almost all of Cupertino's multi-family housing stock of 5+ unit properties. The same survey also tracked the change in average rental costs from 1993 to 2000. During that time period, the average rent has increased from \$962 to over \$2000 per month. The time period again with the largest percentage gain was from 1999-2001 which the average rent increased by approximately 25%.

RENTAL COSTS

Illustration #16: Average Rental Costs

City of Cupertino
2000

Housing Cost and Overpaying for Housing

As discussed previously on pages 10-11 of this document, one of the housing issues of concern in Cupertino is the situation where households “overpay” for housing. Typically, overpaying for housing occurs when a household pays more than 30% of their income for housing costs.

The chart below (Illustration #17) illustrates the gap between the household incomes of low and moderate-income households and the current housing costs in Cupertino. The chart compares typical low and moderate income households and the amount they should be paying for housing as compared to the actual housing costs. The “affordable” housing payment is based on 30% of the household’s maximum income level. The average rent and house payments are the same as those identified on the previous page of this document. The shaded areas of the column indicate those housing units where the households would be “overpaying” for housing. In all instances but one, the low and moderate income households cannot afford the average rent or house payment in Cupertino. If they paid the average, they would be overpaying for housing. The only exception is the moderate income household who can afford the average rent but cannot afford to purchase a condo or a single-family home in Cupertino.

**Illustration #17:
Comparison of
Household
Income Levels
to Average
Housing Costs**

Household Income and Size	"Affordable" Housing Payment	Average Rent	House Payment for Average Condo	House Payment for Average Single-Family Unit
Household on Fixed Income (e.g. Social Security) of \$700 per month	\$ 210	\$2,353	\$3,109	\$8,546
Very Low Income (4 Persons)	\$1,091	\$2,353	\$3,109	\$8,546
Low Income (4 Persons)	\$1,553	\$2,353	\$3,109	\$8,546
Moderate Income (4 Persons)	\$2,619	\$2,353	\$3,109	\$8,546

Red shaded areas indicate those situations where the household would be overpaying for housing; that is, paying more than what they can “afford” to pay.

3. PROJECTED HOUSING NEEDS

According to State Housing Element Guidelines, Housing Elements must include an analysis of the number of housing units to be built, rehabilitated, and conserved in order to meet the locality's current and future housing needs. Following is an analysis of Cupertino's new construction (Regional Housing Needs), rehabilitation and conservation needs.

ADEQUATE SITES TO ACCOMMODATE NEW CONSTRUCTION NEED (1999-2006)

Determining the Regional Housing Needs in a community has been the responsibility of regional "Council of Governments" in past years. The State of California provides population estimates to each regional government in the State and the regional government then allocates estimated housing units needed among member communities. ABAG (Association of Bay Area Governments) is the regional Council of Government that represents Cupertino and neighboring communities in the Bay Area. During 1999-2000, ABAG developed the "Regional Housing Needs Determination" for its member communities and, on March 15, 2001, the ABAG Board of Directors certified the final numbers. The estimated number of housing units needed as determined and certified by ABAG reflect the planning period from January 1, 1999 to June 30, 2006.

According to the certified ABAG estimates, Cupertino has a need for adequate sites to accommodate 2,720 new housing units between 1999-2006. This estimate was developed by ABAG based on various factors including projected population, job growth, land availability, vacancy rates and replacement housing needs.

After determining the number of additional households expected by the end of the planning period, ABAG further quantified future households by income level. The goal of this analysis was to distribute lower income households equitably throughout a region thereby avoiding undue concentrations of very low and low-income households in one jurisdiction.

For the City of Cupertino, the ABAG goal is that 22.4% of all new households will be lower income (very low and low income) households, or 610 total new lower income households. The remaining 2,110 households or 77.6% of the total were estimated to be moderate or above moderate-income households. The exact breakdown of the income groups is as follows:

Very low Income	412 households (15.2%)
Low Income	198 households (7.2%)
Moderate Income	644 households (23.7%)
<u>Above Moderate Income</u>	<u>1,466 households (53.9%)</u>
TOTAL	2,720 households (100%)

The definitions of income used in the ABAG plan reflect the income definitions used by the State of California. See pages 8-9 in this document for further descriptions of income determinations.

**ESTIMATE
OF NEED
1999-2006**

**HOUSEHOLD
NEED BY
INCOME
LEVEL**

**ADJUSTED
NEW
CONSTRUCTION
NEED: 2001-
2006**

The ABAG new construction need was certified in 2001 and reflects the period from January 1, 1999 to June 30, 2006. Since this Housing Element document was written and adopted in 2001, it is important to adjust the totals in order to reflect the units that have been added to the stock between January 1, 1999 - January 1, 2001.

According to data from the Department of Finance (DOF), State of California, approximately 1,886 units were added to the housing stock between January 1, 1999 and January 1, 2000. The number of units in January 1999 was 17,417 and the number in January 2000 as reported by DOF was 19,303—resulting in a net increase of 1,886 units. However, in March of 1999, 1,562 units were added to the City's housing stock due to the annexation of Rancho Rinconada. These 1,562 units were existing units and cannot be counted as newly constructed units. Therefore, 1,562 units must be subtracted from the total 1,886 units added to the City's housing stock from 1999-2000. The net number of units that were actually newly constructed units and added to the housing stock is 324 units from 1999-2000.

At the time this Housing Element was prepared, the January 2001 DOF figures were not available. Therefore, in order to account for housing units estimated that were added to the housing stock in 2000-2001, the number of building permits issued for that time frame was identified. From January 1, 2000 to December 31, 2000, there were 71 building permits issued in Cupertino for single-family and multi-family housing. These 71 permits added to the 324 net increase in units identified previously indicates that 395 housing units were added to the housing stock between January 1, 1999 and January 1, 2001.

**Illustration #18:
Regional Housing
Need Adjusted by
Housing Unit
Change: 1999-
2001**

Regional Housing Need 1999-2006	2,720 units	
	(324 units)	Dept. of Finance, 1999-2000
	(71 units)	Building Permits 2000-2001
REVISED Regional Housing Need 2001-2006	2,325 Units	

Since the ABAG data reflects the 1999-2006 time period, the new construction estimate must be adjusted by the number of units added to the housing stock between 1999-2001. Therefore, the total 2,720 new construction need as estimated by ABAG needs to be adjusted by 395 units. This adjustment results in a **revised January 1, 2001 to June 30, 2006 new construction need of 2,325 units** (2,720 units less 395 units). If this revised figure is divided by the 5.5 year time frame, then the annual new construction need is revised to 422 units per year.

The new construction estimate is composed of different household income groups as explained previously in this section. In addition to revising the total new construction estimate, the number of units provided in the 1999-2001 time frame for very low, low and moderate-income households needs to be identified and the total adjusted for those units. Listed below are those units that have been added to the housing stock in the two-year time period according to household income level.

Household Income Level	Development or Program	Status as of Spring, 2001	Total Units
Very Low Income	Arioso Apts. 19608 Pruneridge	Built	10 Units
	Heart of Cupertino Vista Drive	Construction Begins in 2001	24 Units
Low-Income	Arioso Apartments, 19608 Pruneridge	Built and Occupied	10 units
Moderate Income	Below Market Rate For Sale Units	Built and Occupied	18 units

HOUSING NEED BY INCOME LEVEL

**Illustration #19:
New Affordable
Units Produced,
1999-2001**

The City's new construction need must be adjusted for the number of affordable units provided during the time frame of 1999-2001. The revised figures are presented in the table below (Illustration #20). After accounting for the 34 very low income units produced between 1999-2001, the revised need for very low income units from 2001-2006 is 378 units. The low-income need is revised to 188 units and the moderate-income need is 626 units. The above moderate income need is estimated to be 1,133 units.

	Original Estimate: 1999-2006	Units Produced: 1999-2001	Revised Estimate: 2001-2006
Very Low Income	412 units	34 units	378 units
Low-Income	198 units	10 units	188 units
Moderate-Income	644 units	18 units	626 units
Above Moderate Income	1,466 units	333 units	1,133 units
TOTAL			2,325 Units

**Illustration #20:
Revised New
Construction Need
by Income Level,
2001-2006**

CONSERVATION OF AFFORDABLE UNITS

In 1989, State Housing Element law was amended to require that all Housing Elements include additional information regarding the conversion of existing, assisted housing developments to other non-low income uses (Statutes of 1989, Chapter 1452). This was the result of concern that many affordable housing developments throughout the country were going to have affordability restrictions lifted because their government financing was soon to expire or could be pre-paid. Without the sanctions imposed due to financing, affordability of the units could no longer be assured.

Following are the required components to be discussed in an analysis of the conservation of the “at risk” units in a community.

1. Description and Identification of Potential “At Risk” Projects
 - Federally-Assisted Projects
 - State and Locally Assisted Projects
2. Cost Analysis of Preserving “At Risk” Units
3. Resources for Preservation
 - Public Agencies and Non Profit Housing Corporations
4. Quantified Objectives for “At Risk” Units

Projects that are subject to an evaluation of their “at risk” potential are listed on the following pages. The projects are identified according to their primary funding source.

FEDERALLY ASSISTED PROJECTS:

There are two projects located in the City of Cupertino that have been assisted with HUD financing and could be eligible for prepayment or expiration of Section 8 contracts. The source of this data is the “HUD-Assisted Multifamily Housing: City of Cupertino” printout from the California Housing Partnership Corporation, November 2000

1. **Project Name: Le Beaulieu (also known in HUD data as Cupertino Community)**
Project Address: 10092 Bianchi Way
Governmental Financing: HUD 202/8
Total Number of Units: 27 Units
Number of Assisted Units: 27 Units
Expiration Date: September 12, 2015

Potential for Conversion to Market Rate: Very Low Risk

The Section 8 subsidies for this project are not due to expire until 2015, which is later than the 5-year planning period of this Housing Element. Further, this project is considered a low-risk for conversion to market rate because it is owned by a non-profit organization.

DESCRIPTION AND IDENTIFICATION OF POTENTIAL “AT-RISK” PROJECTS

2. **Project Name:** Sunnyview West
Project Address: 22449 Cupertino Road
Governmental Financing: HUD 202/8
Total Number of Units: 100 Units
Number of Assisted Units: 100 Units
Expiration Date: May 31, 2004

Potential for Conversion to Market Rate: Very Low Risk

This development renewed its Section 8 contract for another five year period in 1999. The new expiration date is May 31, 2004. The development is owned by a non-profit organization which has indicated that it will renew the assistance again in 2004. However, with federal funding, there is always a concern whether sufficient subsidies will be available in the future. Therefore, the City needs to monitor this development and, beginning in late 2003, must initiate contact with the owner and HUD and ensure that the units will continue to remain affordable.

Other Federal Programs:

There are 5 Section 8 Moderate Rehabilitation units in Cupertino. The contracts for these units are expected to expire in the 2001-2006 time frame. There are not any units previously financed with Farmers Home Administration funds.



*Stevens Creek Village is Located at Stevens Creek
Boulevard and Tantau Avenue*

STATE AND LOCALLY ASSISTED PROJECTS

State-Assisted Projects:

1. **Project Name:** Stevens Creek Village
Project Address: 19140 Stevens Creek Boulevard
Governmental Financing: CHFA/City Financial Assistance
Total Number of Units: 40 Units
Number of Assisted Units: 40 Units

Potential for Conversion to Market Rate: Very Low Risk

COST ANALYSIS OF PRESERVING "AT RISK" UNITS

RESOURCES FOR PRESERVATION

As identified in the previous section, there is one development that has been identified as having subsidies/rent agreements expire during the time period of this Housing Element. The Sunnyview West development, however, is owned by a non-profit group and it is considered at "low risk" for converting. Nonetheless, an analysis of the cost of preserving these units, should they be at threat of converting to market rate, is required and is detailed below.

If any or all of these 100 affordable units are converted to market rate housing, the loss to the community could be significant. The cost of producing an affordable unit to replace a lost unit is extremely high. For example, staff from Mid-Peninsula Housing Coalition report that it cost approximately \$237,500 in 2000-2001 to build an affordable family unit in a community located near Cupertino. They also developed elderly units in an adjacent development, which were smaller in square footage (550 average square feet per unit) and cost \$124,500 to develop.

The cost of acquiring the affordable units in order to preserve them as long-term affordable units would also be expensive. It is assumed that either a public agency or a non-profit would acquire the units and then rehabilitate them, if necessary. Because the market value to acquire the units would probably be based on competitive private market valuations, the units would be expensive to acquire. Discussions with local realtors indicate that it would be reasonable to assume an average cost of \$150,000-200,000 per unit. This is of course an average cost as the actual cost would be dependent on such variables as unit size, location, condition, etc. The total number of units in the Sunnyview West development identified as potentially "at risk" is 100 units. If all of these units needed to be acquired/rehabilitated in order to prevent them from converting to market rate units, the total cost would be approximately \$15 million – \$20 million dollars (using an average figure of \$150,000-200,000 per unit for acquisition/rehabilitation). To replace the units with new construction affordable units would be even more expensive.

PUBLIC AGENCIES

The **City of Cupertino** could utilize HOME funds to assist in preserving at-risk units. Further, the City's Affordable Housing Fund could also be used. At the time that this Housing Element was written, the City had established a Redevelopment Agency but had not yet initiated collection of tax-increment revenues. When those revenues are collected, the minimum 20% housing set-aside could also be used to preserve at-risk housing.

The **Housing Authority of Santa Clara County** administers the Section 8 existing certificate and voucher program in Cupertino. Although it does not currently own or manage any affordable housing developments in Cupertino, it could fill that role in the future.

NON-PROFIT AGENCIES

In addition to the two public agencies identified above, Cupertino is fortunate to have several active non-profit agencies involved in affordable housing. Examples of non-profits active in Cupertino include Cupertino Community Services, Mid-Peninsula Housing Coalition, Community Housing Developers, and Habitat for Humanity. These non-profits are examples of potential partners that the City could approach in preventing affordable units from converting to market rate units.

As part of the objectives of this Housing Element Update, quantified objectives were established for the construction, rehabilitation and conservation of units (see Chapter 8, "Housing Program Strategy: 2001-2006"). Included in those objectives is the preservation of the one development identified as potentially being at risk (considered a "low risk") for conversion in the 2001-2006 time frame. The specific objective is the preservation of the 100 affordable units at Sunnyview West. Specific program actions include the active monitoring by City staff beginning in late 2003 to ensure that the units continue to remain affordable after the expiration date of May, 2004.

**QUANTIFIED
OBJECTIVES
FOR "AT
RISK"
UNITS**

4. RESOURCE INVENTORY

LAND INVENTORY

In preparing for this 2001-2006 Housing Element document, City staff conducted a thorough study evaluating the amount of vacant and underutilized land in Cupertino. A parcel-by-parcel review of the City's data base was conducted and all vacant, underutilized and infill parcels were identified. These parcels included residentially-zoned land as well as other designations such as commercial, quasi-public use, mixed use and industrial.

The land inventory indicates that there is sufficient land zoned at residential densities and with residential General Plan designations to accommodate 947 additional units. These calculations were based on vacant and underdeveloped land in the City with no infrastructure constraints. The 2001-2006 revised Regional Housing Needs estimate indicates that the City should be planning for 2,325 new units during that time frame. Therefore, the information from the land survey indicates that there are not sufficient adequate sites to address the estimated five-year need. The City plans to address this need by implementing Programs # 1 and 2 in the Housing Strategy chapter of this document (pages 60-61). Program #1 supports the provision of 1,378 units in planned districts of the City which allow mixed-use and residential use. Program #2 commits the City to change the land use designation on some parcels in those planned districts in order to accommodate a minimum density level of 20-35+ units per acre.

An important consideration in evaluating land availability is the amount of land zoned at appropriate densities for very low, low and moderate-income households. In Cupertino, it is anticipated that affordable housing for very low and low income households can be accommodated in the range of 20-35 units or higher per acre. The recently approved 24-unit "Heart of Cupertino" development was approved at a density range of 20 units per acre. All of the units will be affordable to either very low or low-income households. This development indicates that projects affordable to very low and low-income households can be built at the range of 20 units or higher in Cupertino.

The chart on the facing page (Illustration #21) summarizes the land availability in the City in comparison to the City's Regional Housing Need Allocation. As the chart indicates, there is sufficient existing residential land zoned at 20-35 units per acre to accommodate 326 very low or low-income units. This leaves a remaining balance of 240 units in the very low and low-income categories. It is estimated that these 240 units can easily be accommodated by the actions identified in Programs #1 and 2, as described previously. Programs #1 and 2 identify land that can accommodate 1,378 units on parcels of 20 units per acre or higher density. In fact, the majority of these 1,378 units are expected to be developed on parcels with densities of 30 or more units per acre. This type of density range can produce units affordable to very low and low income households, as well as moderate and above-moderate income households.

HOUSEHOLD INCOME CATEGORY AND DENSITY RANGE	NUMBER OF UNITS NEEDED 2001-2006	EXISTING ACREAGE AVAILABLE WITH APPROPRIATE ZONING AND INFRASTRUCTURE AVAILABILITY	UNITS POSSIBLE WITH AVAILABLE ACREAGE, 2001	REMAINING UNITS STILL NEEDED 2001-2006
Very Low and Low Income 20-35+ units per acre	378 Very Low 188 Low 566 Units Total	16 Acres	326 Units	240 Units
Moderate Income 15-20 units per acre	626 Units	12 Acres	182 Units	444 Units
Above Moderate < 15 units per acre	1,133 Units	29 Acres	439 Units*	694 Units
TOTAL	2,325 Units	57 Acres	947 Units	1,378 Units

**Of the total projected 439 units, 119 are hillside parcels that require road and sewer/water improvements. The cost to develop these parcels will be greater than normal because of the expenses involved with their site improvements.*

**Illustration #21:
Projected Housing
Need and Land
Availability**

FINANCIAL RESOURCES

The City of Cupertino has several sources of funding available for affordable housing development. These funding resources include "Community Development Block Grant" (CDBG) funds, HOME funds, Emergency Shelter assistance and the City's Affordable Housing Fund.

Along with other communities in Santa Clara County, the City of Cupertino participates in the County HOME Consortium Program. In addition, Cupertino is a member of the "Urban County" which receives CDBG, Emergency Shelter Grants and Shelter Plus Care Program funds. HOME funds are typically awarded on a competitive basis to projects in the County that develop new affordable units or acquire/rehabilitate existing units. CDBG funds are more flexible and can be used for affordable housing, economic development, public facilities and services. For 1999-2000, the County supervised the expenditure of approximately \$4,500,000 in funds. Approximately \$2.6 million of that amount was CDBG funds, another \$450,000 was HOME funds and the remainder were Emergency Shelter and Shelter Plus Care funds.

COUNTYWIDE FUNDING RESOURCES

CITY FUNDING RESOURCE

There were several Cupertino programs/projects that were funded with Urban County funds in that same 1999-2000 program year. Cupertino Community Services (CCS) received funding to administer the "Rotating Shelter Program" and other homeless support services. CCS also received approximately \$600,000 in CDBG funds for the "Heart of Cupertino," an affordable housing development for 24 very low and low-income households. In addition, the City used CDBG funds to administer the housing rehabilitation program and other general administrative activities. Finally, Cupertino benefits from some countywide activities funded by the Urban County such as Fair Housing funding, Support Services to Elderly, Disabled and Single Parents and Continuum of Care planning and funding activities.

The City expects that it will be designated an "Entitlement" community for federal housing funds in the federal fiscal year of 2002-2003. Once this designation is official, the City will be awarded CDBG funds directly from HUD. The City will also have the option of "opting out" of the HOME Consortium at the appropriate time and receiving HOME funds directly from HUD. Based on CDBG funding directly to other communities that are the approximate population size of Cupertino, it is anticipated that the City will receive between \$300,000-400,000 annually in CDBG funds once it receives the Entitlement designation. It is further expected that the City will continue to allocate the federal funding resources to continue the housing rehabilitation program assistance and to provide financial assistance to acquisition, rehabilitation or new construction of affordable housing.

A significant funding source that the City directly administers is the "Affordable Housing Fund." This fund is capitalized with in-lieu fees collected through the Office and Industrial Mitigation Plan and the "Below Market Rate" Program. The total amount of funds collected in the fund since 1993 is approximately \$2.3 million dollars. Of that amount, the City has allocated \$986,893 to various affordable housing developments and programs and has also set-aside \$1.2 million dollars for the "Heart of Cupertino" 24-unit affordable housing development. Please see the appendix to this document for more information regarding the Affordable Housing Fund income and expenditures.

The City has also established a Redevelopment Project Area but has not yet started to collect tax increment funds. Once those tax increment funds have started to accrue, 20% of the funds must be designated for affordable housing activities. Once the funds have begun to accrue, the City has estimated that approximately \$579,000 could be generated in housing tax increments from 2001-2005.

In addition to the funding resources identified above, there are other resources available for affordable housing development. These funds are usually available on a competitive basis with each funding source utilizing certain "threshold" project requirements. Examples of some of these funding resources include:

1. State of California, Department of Housing and Community Development loan and grant programs,
2. California Housing Finance Agency,
3. Federal/State Low Income Housing Tax Credits,
4. Federal Home Loan Bank, Affordable Housing Program,
5. Privately-Capitalized Funds, such as the Sobrato Affordable Housing Fund and the Housing Trust Fund of Santa Clara County.

OTHER FUNDING RESOURCES

5. AFFORDABLE HOUSING OPPORTUNITIES

This chapter of the Housing Element summarizes the current range of affordable housing opportunities in Cupertino. Included in this chapter is information regarding housing programs sponsored by the City of Cupertino as well as other housing programs that are federal or state funded and operative in Cupertino. Also a summary is provided of all of the affordable housing developments in the community as well as a listing of non-profit agencies currently active in the Cupertino area.

CITY SPONSORED HOUSING PROGRAMS

The City of Cupertino supports and/or administers several housing programs. Listed below is a brief description of those programs.

Housing Rehabilitation Program

Funds are available through this program to assist very low and low-income homeowners with repairs to their housing units. The program is administered by the County of Santa Clara, Housing and Community Development, on behalf of the City. In addition, assistance is available to Cupertino households for minor home repairs and accessibility improvements through a program administered by ESO (Economic and Social Opportunities).

Housing Mitigation Program

A. Office and Industrial Mitigation

The Office and Industrial Mitigation Program acknowledges housing needs created by the development of office and industrial projects. A fee is applied to new development of office and industrial space in the City. The fees collected are deposited in the City's Affordable Housing Fund and are to be used for the provision of affordable housing.

B. Residential Mitigation

The City's Residential Mitigation Program applies to all new residential development of one unit or greater. Residential developers are required to designate at least 10% of the units in a development as affordable. These units are identified as the "BMR" (Below Market Rate) units. For developments of 1-9 units, the developer may pay a fee in lieu of building the units. All affordable units developed under the BMR program must remain affordable for 99 years from the date of first occupancy and, if for sale units are resold during that period, a new 99 year time period is established.

Affordable Housing Fund

The City administers the Affordable Housing Fund which is currently capitalized with fees paid through the Housing Mitigation Program. Potential options for use of the housing funds include:

HOUSING MITIGATION PROGRAM

- a. Development of new affordable units.
- b. Conversion of existing market rate units to affordable units.
- c. Down payment assistance programs.
- d. Second mortgage programs.

Please see the appendix for a summary of the activities funded historically with Affordable Housing Funds.

Cupertino Community Services

Cupertino Community Services (CCS) is a non-profit organization that assists in administering housing programs on behalf of the City of Cupertino. CCS administers the “Rotating Shelter” program for homeless individuals and also manages a transitional housing facility. Further, CCS acts as the administrative agent on behalf of the City in managing and monitoring the “BMR” program.

“Move In For Less” Program

In cooperation with the Tri-County Apartment Association, this program recognizes the high cost of securing rental housing. The program is geared to classroom teachers in public or private schools who meet income criteria. Apartment owners/ managers who agree to participate in the program require no more than 20% of the monthly rent as a security deposit from qualified teachers. This reduced security deposit hopefully makes it more financially feasible for a teacher to move into rental housing.

Mortgage Credit Certificate (MCC) Program

The MCC program provides assistance to first-time homebuyers by allowing an eligible purchaser to take 20% of his or her annual mortgage interest payment as a tax credit against federal income taxes. Santa Clara County administers the MCC Program on behalf of the jurisdictions in the County, including Cupertino. The program does establish maximum sales price limits on units assisted in this program and, due to the high housing costs in Cupertino, there have been few households assisted in Cupertino in recent years.

Second Unit Program

The City’s Second Unit Ordinance allows an additional unit to be built on a residential parcel. The objective of this Ordinance is to encourage additional units on already developed parcels, such as parcels with single-family dwellings.

Density Bonus Ordinance

The City’s Density Bonus Ordinance allows a 25% increase in density for developments greater than 5 units that provide a proportion of units for very low or low income households or housing for senior citizens. In addition to the density bonus, certain “concessions” can also be provided to the development, which can include:

- a. Reduction of Parking Requirements,
- b. Reduction of Open Space Requirements,
- c. Reduction of Setback Requirements,

- d. Approval of Mixed Use Zoning,
- e. Reduction of Park Dedication Fees,
- f. Reduction of application or construction permit fees, or
- g. Provision of tax-exempt or other financial assistance.

OTHER HOUSING PROGRAMS OR SERVICES

Section 8 Rental Assistance Program

The Housing Authority of the County of Santa Clara manages the Section 8 rental assistance program. In June 2001, the Housing Authority reported that there were 27 Housing Choice Vouchers and 5 Moderate Rehabilitation contracts being used by households residing in Cupertino rental units.

Support Services Provided by Non-Profit Agencies

Shared Housing

Shared Housing Programs are administered by two different agencies in the Cupertino Area. Project MATCH provides services to senior households in finding shared housing opportunities and Catholic Charities administers a similar program for single parent households.

Fair Housing

Assistance with discrimination or other fair housing issues is provided through the Santa Clara County Fair Housing Consortium.

HOUSING AGENCIES OR ORGANIZATIONS

Cupertino is fortunate to have a number of non-profit organizations that are involved in affordable housing opportunities. Listed below are examples of organizations active in Cupertino at the time that this Housing Element was prepared.

- Cupertino Community Services
- Mid-Peninsula Housing Coalition
- BRIDGE Housing
- Community Housing Developers
- Habitat for Humanity
- Project MATCH
- Catholic Charities
- Adults Toward Independent Living
- Pacific Autism Center for Education

Illustration #22:
Summary of
Affordable
Housing Units,
City of Cupertino
June, 2001

Development Name and Address	Tenure	Number of Affordable Units	Household Income Very Low or Low Moderate	
Affordable Developments				
Sunnyview West 22449 Cupertino Road	Rental	100	100	
Stevens Creek Village 19140 Stevens Creek Boulevard	Rental	40	40	
LeBeaulieu Apartments 10092 Bianchi Way	Rental	27	27	
CCS Transitional Housing 10311-10321 Greenwood Ct.	Rental	4	4	
Park Circle East 20651-20653 Park Circle East	Rental	8	8	
Beardon Drive 10192 -10194 Beardon Drive	Rental	8	8	
TOTAL		187	187	
GROUP HOMES				
Adult Toward Independent Living Group Home 19147 Anne Lane	Rental Group Home	8 Persons		
Pacific Autism Center for Education Group Homes at: 19681 Drake Drive 7576 Kirwin Lane	Rental Group Home	12 Persons Total		
Simms House	Group Home	5 Households		
BELOW MARKET RATE (BMR) Rental Units				
City Center Apartments 20380 Stevens Creek Blvd.	Rental	4	4	
The Hamptons 19500 Pruneridge Avenue	Rental	34	34	
Arioso Apartments 19608 Pruneridge Avenue	Rental	20	20	
Forge-Homestead Apartments 20691 Forge Way	Rental	15	15	
Aviare Apartments 20415 Via Pavisio	Rental	22	22	
Chateau Cupertino 10150 Torre Avenue	Rental	10	10	
TOTAL		105	105	
BELOW MARKET RATE (BMR) FOR SALE UNITS				
Homeowner units are scattered throughout City	Ownership	35		35

6. REVIEW OF 1993 HOUSING ELEMENT

The City's previous Housing Element was adopted in 1993. In order to effectively plan for the future, it is important to reflect back on the goals of the 1993 Element and to identify those areas where progress was made and those areas where additional effort is needed. In fact, the State Housing Element guidelines require communities to evaluate their previous Housing Element according to the following criteria:

- Effectiveness of Element,
- Progress in Implementation, and
- Appropriateness of Goals, Objectives and Policies.

EFFECTIVENESS OF ELEMENT

The following goals, policies and programs were developed and included in the original 1993 Housing Element. The planning period originally intended for the 1993 document was for the time period from 1990-1995. **Comments in the margin are a summary of the progress made from 1993-2001 in achieving the goals and policies and in establishing the programs. An additional reference table is included in this document beginning on page 84.**

GOAL A: EXPAND THE SUPPLY OF RESIDENTIAL UNITS FOR ALL ECONOMIC SEGMENTS TO ACHIEVE GREATER OPPORTUNITY FOR CURRENT AND FUTURE CUPERTINO EMPLOYEES AND RESIDENTS TO OBTAIN HOUSING.

Policy 3-1: Housing Potential

Provide for approximately 1,500 units in the existing non-residential areas.

Strategy:

Prepare specific plans for planning districts where change is proposed and incorporate the allowed number of units in each district into the plan. The "Heart of the City" specific plan will indicate the number of and densities for 500 units. Housing sites for the Vallco, North De Anza and Bubb Road Planning District will be designated when Specific Plans are prepared. Allowed average density is approximately 20 units per acre in the above mentioned areas. Policies 3-26 to 3-40 describe the housing mitigation program required for new office/industrial and residential development. New office/industrial development must pay a fee in-lieu of the development of affordable housing. New residential development must provide 10% BMR units. The residential mitigation program would create approximately 150 affordable units, since 10% BMR units are required, and since most projects would occur in these areas. The affordable units would be located on any of the identified sites, and would be incorporated into the residential project if it were a mixed income development.

Comments in the margin are a summary of the progress made from 1993-2000 in achieving the original goals and policies .

The "Heart of the City" Specific Plan was adopted in 1995.

The Housing Mitigation Program has generated 140 BMR units (rental and ownership units) .

From 1990-1995, a total of 264 units were added to the City's housing stock. This represents 10% of the 2,587 unit objective.

Although the City provided a density bonus program, few developments have taken advantage of the program's benefits.

There were no "mandatory" sites established.

Policy 3-6 was considered but no parcels were developed during the time frame of the Housing Element.

Policy 3-2: Total Allowed Housing Units

Allow a total of 2,587 new housing units. The sources of new housing are:

Neighborhoods and hillsides	1783 units
Planning Districts	1484 units
Total	3267 units

Since the total units exceed 2,587, the Appendix B sites are guaranteed consideration for development. The 1,484 units shown in Appendix C are a pool, with the total allowed to be built City-wide not to exceed 2,587.

Policy 3-3: Promotion of Neighborhood Housing

Promote development of neighborhood housing potential by providing property owners with information about the development process.

Policy 3-4: Density Bonus

Encourage high density affordable housing with density bonuses.

Policy 3-5: Mandatory Residential Locations

Consider specific locations for mandatory residential or mixed use:

- Bandley Drive, in North De Anza Boulevard area
- Bubb Road
- Portions of Stevens Creek Boulevard:
 - North side: between the west boundary of the "Magic Wok" on Saich to Stelling
 - South side: between the west boundary of Union Church and Stelling

Study these areas to determine the feasibility of mandatory residential or mixed use and rezone them if determined feasible.

Policy 3-6: Surplus School and Church Site Development

Consider surplus school and urban church sites for higher density and mixed use housing.

Policy 3-7: Additional Study Areas

Other areas to consider which require more study are:

- Stelling between 280 and Stevens Creek
- Rancho Rinconada near Cupertino High School
- Monta Vista area near railroad tracks



Example of residential development constructed in the central core of the City.

Policy 3-8: Transfer of Development Credit Density Bonus

Allow a density bonus if a transfer of development credit (TDC) program is adopted which allows transfer of potential residential units from one location to another.

Policy 3-9: Discount Parking Standards

Discount parking standards for mixed use developments.

Policy 3-10: Development Standards

Set landscaping, open space and setback standards so there are minimum standards that must be met.

Policy 3-11: Design Standards

Set high standards of design for high density/mixed use projects to ensure high quality development and to reduce off-site impacts.

Policy 3-12: Accessory Housing Units

Allow accessory housing units on certain lots in single family districts.

Policy 3-13: Affordable Housing Sites

Cooperate with the county, private and non-profit housing developers to identify sites for very low, low and moderate income housing.

The TDC program
was never
adopted.

“Heart of City”
Specific Area Plan
is an example of a
City plan that
establishes
minimum
development
standards.

Second Unit
Program
(Accessory Units)
Produced 14
Units, as of April
2001

The "Heart of Cupertino" affordable housing project is an example of a project assisted with federal and local funds. The 24-unit rental development has been approved and will be built on land owned by the Fire District.

The City has committed approximately \$1.2 million for the "Heart of Cupertino" development.

Priority processing was available to affordable housing developments.

Countywide Article 34 Referendum was approved.

Policy 3-14: Creative Finance Methods

Foster a conducive environment for attracting low and moderate priced housing programs financed by other levels of government. The use of mortgage revenue bond programs will be encouraged. All such developments will meet the City's design and service criteria.

Policy 3-15: County, State and Federal Programs

Participate in available county, state and federal programs that promote or provide housing.

Policy 3-16: HCD Funds

Continue to make Housing and Community Development (HCD) funds available to developers to help defray costs inherent in meeting or exceeding the requirements for supplying below market rate housing.

Policy 3-17: HCD Funds Availability

Make available HCD or general funds for site acquisition for low and very low priced housing. Parcels purchased with HCD or general funds can be made available to private developers or a non-profit housing corporation capable of constructing low and very low priced housing.

Policy 3-18: Use of City Funds

Use City funds for programs that help supply affordable rental housing to low and very low income households, particularly senior citizens and disabled individuals who are on a fixed income. The City will contract with a non-profit organization or use other mechanisms to supply this housing. Need will be identified through census and other data. Priority will be given to Cupertino residents.

Policy 3-19: Priority Processing

Give priority processing to applications that provide very low, low and moderate income housing to reduce development costs associated with time delays.

Policy 3-20: Article 34 Referendum

Place the issue of affordable housing on the ballot to obtain Article 34 referendum authority should this be necessary to provide for affordable housing.

Policy 3-21: Market Rate to Affordable Rental Units

Encourage the conversion of existing market rate rental units to affordable rental units.

Policy 3-22: Long-Term Leases

Encourage long-term leases of property from churches, school districts and corporations for construction of affordable rental units.

Policy 3-23: Priority Placement

Give first priority in any affordable housing projects to individuals who reside, work, attend school, or have family in Cupertino.

Policy 3-24: Affordable Rent Schedule

Utilize the City's Affordable Rent Schedule as a guideline in setting rents for new affordable housing.

Policy 3-25: Rent Schedule Update

Update the rent schedule each year as new income guidelines are received from the state and federal government. Determine a uniform method for allowing rent adjustments for affordable housing projects that are developed.

Policy 3-26: Office/Industrial Mitigation

Mitigate new office/industrial development by providing an in-lieu fee as set by the City Council. The fee shall be adjusted annually based upon the Consumer Price Index.

Policy 3-27: Waive Fees

Waive park fees and construction tax for any affordable units.

Policy 3-28: Early Public Involvement

Involve public from the beginning when affordable housing is planned so that there are fewer objections to the project when it goes through the City approval process. Development applications with affordable units will receive priority processing to streamline the process but must still meet legal noticing requirements.

Policy 3-29: Housing on Employment Center Sites

Locate housing units on employment center sites or in areas that could be designated for higher density housing, such as Bubb Road, Bandle Drive, City Center area, and within 14 miles of employment centers.

Policy 3-30: Residential Participation in BMR Program

Require every residential development to participate in the BMR program with the exception of affordable housing developments.

Policy 3-31: On-Site BMR Units

Emphasize on-site development of the BMR units. Second priority would be off-site BMR units located within the City limits.

Policy 3-32: Land In-Lieu of BMR

Allow developers to meet all or a portion of their BMR requirement by making land available for the City or a non-profit housing developer to construct affordable housing

Priority to Cupertino households is provided in the City's BMR processing guidelines.

The City has collected Office/Industrial Mitigation Fees and those fees have been deposited in the City's Affordable Housing Fund.

The City has waived park fees and construction taxes for affordable units.

The City's BMR Program has generated 105 rental units and 35 homeowner units, for a total of 140 units. The program requires 10% of all new residential development to either provide on-site units or to pay an in-lieu fee (projects of 9 units or less).

The BMR Program requires that affordability or resale restrictions apply for a 99 year time period.

The City has collected approximately \$2 million dollars in in-lieu fees over the past decade. Please see the Appendix of this document for a description of the use of the fund.

A Redevelopment Project Area has been established.

The Housing Endowment Program was not created. The City's Affordable Housing Fund was developed instead.

Policy 3-33: 10% BMR Requirement

Require ten percent (10%) of a residential development to be BMR units.

Policy 3-34: Waive Fees

Waive park dedication fees for affordable units.

Policy 3-35: In-Lieu Fee

Assess an in-lieu fee for developments of less than ten units. For developments of ten or more units, a comparable BMR unit must be developed. The in-lieu fees shall be collected at the building permit stage and the fee is to be adjusted annually.

Policy 3-36: BMR Time Requirement

Require BMR units to remain affordable for a minimum of 30 years.

Policy 3-37: Utilization of In-Lieu Fees

Utilize in-lieu fees the City receives in the following manner (ranked in order of priority):

- a. Finance affordable housing projects in Cupertino.
- b. Establish a down payment assistance plan that may be used in conjunction with the BMR program or to make market rate units more affordable.
The assistance should be in the form of low interest loans and not grants.
- c. Establish a rental subsidy program to make market rate units more affordable. In-lieu fees collected from office, industrial and retail development will also be used in this manner.

Policy 3-38: Finance Strategies

Investigate and encourage various financing strategies including, but not limited to, the following:

- Local and county bond financing.
- Bank financing of mixed use projects.
- Pension funds as sources of financing.
- Transfer tax for sales of property
- Redevelopment agency reactivation.

Policy 3-39: Housing Endowment Program

Create a Housing Endowment Program for the creation of affordable housing units.

Policy 3-40: Adequate Reserves

Ensure the long-term viability of affordable housing projects by requiring the developer to provide an adequate reserve for long-term maintenance.

Policy 3-41: Mobile Homes and Pre-fabricated Homes

Permit the construction of mobile homes and pre-fabricated houses on permanent foundations, subject to compliance with zoning regulations, building code and other applicable City regulations.

Mobile homes and pre-fabricated houses are permitted but none have been built during the time frame of the Housing Element.

Policy 3-42: Condominium Conversion

Conversion of rental forms of multiple family housing to condominiums will not be permitted if the proposal significantly diminishes the present number of rental units within Cupertino or substantially reduces the ratio of ownership-to-rental units in effect at the time of the requested conversion. As a general guide, rental units shall not be converted to single family ownership housing when the rental vacancy rate within the Cupertino Housing Market Area is less than 5% at the time of application and has averaged 5% over the past six months. The vacancy rate will be determined by surveys conducted by the City of Cupertino's Planning Department.

There were no conversions of apartments to condominiums.

Policy 3-43: Conversions Remaining Low/Moderate Income

Prior to approving any condominium conversions, ensure that a significant portion of the converted units remains part of the low and moderate income housing stock.

Policy 3-44: Structural Upgrading

Prior to approving any condominium conversions, ensure that the project has been upgraded to eliminate any health and safety hazards and to meet current development standards. The city shall also reasonably demonstrate that comparable replacement rental housing exists within the Cupertino area to accommodate the displaced residents.

The "Rotating Shelter" Program has been operative and is currently managed by Cupertino Community Services.

Policy 3-45: Temporary Emergency Shelter

Work with local organizations to implement a program to provide a temporary emergency shelter that would rotate monthly among local churches.

GOAL B. ESTABLISH AND ENFORCE EFFECTIVE GUIDELINES AND REGULATIONS FOR THE CONSTRUCTION OF SAFE, QUALITY HOUSING, AND FOR THE MAINTENANCE AND IMPROVEMENT OF EXISTING HOUSING.

Policy 3-46: Maintenance of Public Property

Continue the high quality maintenance of public streets, rights of way and recreational areas. Continue the semi-annual trash pickup program throughout the City and encourage its implementation in the unincorporated area within the City's Sphere of Influence.

The City has continued to enforce current codes and supports all neighborhood efforts to maintain and/or improve residential properties.

The City has continued to provide housing rehabilitation assistance through the Urban County program. Assistance was available for both single-family and multi-family units.

The City has actively enforced Title 24 regulations and encourages energy conservation in all developments.

Policy 3-47: Code Enforcement Efforts

Continue current code enforcement efforts within the corporate limits and encourage the Santa Clara County Board of Supervisors to increase code enforcement in county islands and land within the City's Sphere of Influence.

Policy 3-48: Neighborhood Cooperation

Support local neighborhood improvement districts and homeowner associations. In upgrading residential property, a neighborhood approach should be used, allowing as much local participation as possible. The approach should be service oriented, offering services such as incentives for rehabilitation.

Policy 3-49: Residential Property Maintenance

Encourage citizens to continue to maintain existing residential properties in a manner which enhances the character of Cupertino.

Policy 3-50: Code Inspection Program

Continue to offer a presale code inspection program for residential structures.

Policy 3-51: Housing Rehabilitation Loan Program

Continue participation in the Housing Rehabilitation Loan Program financed through the Urban County Housing and Community Development Block Grant Program. The Rehabilitation Program provides low-interest rate loans and small grants to very low and low income households to correct building code violations and to correct housing deficiencies. The program is targeted for owner-occupied units.

Policy 3-52: Expansion of Rehabilitation Activities

Investigate and pursue other federal, state and county funded programs available for expansion of rehabilitation activities.

Policy 3-53: Substandard Housing Rehabilitation

Encourage the upgrading and rehabilitation of substandard housing within the City's Sphere of Influence.

Policy 3-54: Loan Programs

Provide information on loan programs. Periodic features in the local media will be encouraged.

Policy 3-55: Energy Conservation Techniques

Actively promote energy conservation techniques and energy efficiency in building design, orientation and construction. The relationship between energy conservation and its impact on housing costs should be explored to ensure that any selected program does not reduce the supply of affordable housing.

Policy 3-56: Solar Energy

Re-examine the residential zoning ordinance to ensure that limitations regarding mechanical apparatus do not unduly inhibit solar energy use.

Policy 3-57: Energy Conservation Programs

Investigate and pursue information regarding energy conservation programs or policies that are being implemented by other California cities.

GOAL C: ESTABLISH A COMMUNITY IN WHICH ALL PEOPLE, REGARDLESS OF THEIR ETHNIC, RACIAL, RELIGIOUS BACKGROUND, INCOME, MARITAL STATUS, SEX, AGE OR PHYSICAL HANDICAP HAVE AN EQUAL OPPORTUNITY TO OBTAIN HOUSING. PROMOTE THE EQUITABLE SOLUTION OF SOCIAL AND TECHNICAL PROBLEMS CONCERNING PROPERTY OWNERS AND RESIDENTS.

Policy 3-58: Discrimination

Support efforts of organizations which are working toward eliminating discrimination in the Cupertino area.

Policy 3-59: Voluntary Mediation Board

Refer landlord/tenant complaints to a voluntary mediation board established by the City and operated by Project Sentinel.

The Santa Clara
County Fair
Housing
Consortium assists
Cupertino
residents with
discrimination and
housing
complaints.

PROGRESS IN IMPLEMENTATION

To assess the City's progress in implementing the 1993 Housing Element, the following key areas were reviewed.

1. Production of Housing

The 1993 Housing Element identified a 5-year need for new construction of 2,587 units total. The time frame for the production of these units was 1990-1995. From 1990-1995, 264 new housing units were added to the City's housing stock. These 264 units represent 10% of the 2,587 unit goal for the five-year time frame. However, over the longer time period of 1990-2000, the average rate of production was 200 units per year or approximately 2,000 units total for the 10-year period.

2. Conservation of Housing Units

The 1993 Housing Element (pg. 3-19) included four objectives for the conservation of units.

- a) The 5,900 existing rental units were preserved because there were no conversions to condominiums. *Objective Achieved*
- b) The 27 units for disabled households (Le Beaulieu) were preserved as well as the 20 units in congregate care residences. *Objective Achieved*
- c) In 2001, there were 27 Section 8 housing choice vouchers being utilized in Cupertino. Further, there were a total of 51 Cupertino residents placed in shared housing arrangements by Project MATCH. *Objective Achieved*
- d) On average, approximately 3-5 housing units were rehabilitated annually during the past decade in Cupertino. The 1993 identified a goal of 20-30 units rehabilitated. *Objective Achieved*

3. Production of Affordable Units

The 1993 Housing Element (pg. 3-19) established an objective of 160-210 very low or low income units and 25 moderate income units.

Very Low and Low Income Units:

Second Unit Program: 14 Units Produced

New Construction of Rental Housing: 135 Very Low and Low Income Units Developed

Objective Partially Achieved: 149 total units produced

Moderate Income Units:

Mortgage Credit Certificates(MCC): 73 MCCs in Cupertino from 1990-1998

BMR Homeownership Units: 26 Units (1993-2001)

Objective Achieved and Exceeded

4. Regulatory Controls and Incentives

During the time frame of this review period, the City continued to encourage mixed use development and the use of density bonuses. For example, the "Heart of the City" Specific Area Plan was enacted in 1995. This Plan encourages mixed use development at high residential developments and provides guidelines for the development of the central core of the City. Further, the City has provided certain concessions for affordable housing. For example, the Forge-Homestead development in

1995 was allowed a 25% density bonus and forgiveness of park-fees and construction tax for the 15 very low income units provided. Parking requirements were also reduced.

Further, the City implemented the "Housing Mitigation Program" during this time period which resulted in both rental and for-sale "Below Market Rate" units being developed as a condition of new residential development as well as in-lieu fee payments.

APPROPRIATENESS OF GOALS, OBJECTIVES AND POLICIES

THE FOLLOWING THREE GOALS WERE IDENTIFIED IN THE 1993 HOUSING ELEMENT:

- **GOAL A:** Expand the supply of residential units for all economic segments to achieve greater opportunity for current and future Cupertino employees and residents to obtain housing.
- **GOAL B:** Establish and enforce effective guidelines and regulations for the construction of safe, quality housing, and for the maintenance and improvement of existing housing.
- **GOAL C:** Establish a community in which all people, regardless of their ethnic, racial, religious background, income, marital status, sex, age or physical handicap have an equal opportunity to obtain housing. Promote the equitable solution of social and technical problems concerning property owners and residents.

These goals are still appropriate for the 2001-2006 time frame. However, the goals for 2001-2006 are more specific in regard to special need households and equal opportunity. There will be a total of five goals then for 2001-2006.

The majority of 1993 policy directions will continue into the 2001-2006 time frame. The following policies shall be especially emphasized in the 2001-2006 Housing Element:

- Encourage and support the production of affordable units for very low and low income households,
- Preserve existing rental housing stock,
- Expand City partnerships with non-profit developers to build and maintain affordable units, and
- Support the provision of housing appropriate for all household income levels and special need households.

PROGRESS AND IMPLEMENTATION SUMMARY:

The City achieved 10% of the original five-year goal for new construction of units. Approximately 264 units were produced during 1990-95. The original goal was 2,587 units.

The development of units affordable to very low and low income households is a difficult task for many California communities. However, during the 1990-2000 time frame, there were 135 rental units affordable to very low and low income households developed in Cupertino. Further, 14 Second Units were added and 73 Mortgage Credit Certificates were utilized.

Cupertino provided both regulatory and incentive programs for the production of more affordable units during the time frame reviewed. The "Housing Mitigation Program" required 10% of all new residential development to either pay an in-lieu fee or develop a Below Market Rate unit. Further, the Office/Industrial Mitigation component required developers to pay a fee that was then used for additional affordable housing opportunities.

Existing rental units were conserved during the time period of the Housing Element because of the Condominium Conversion Ordinance. However, the need to conserve rental housing has become even more critical since the 1993 Housing Element was adopted. Housing costs have increased substantially since 1993 and the preservation of rental units as an important component of the affordable housing stock has become even more important. The 2001-2006 goals, policies and programs will reflect this increased emphasis on existing units as well as the production of additional affordable units.

7. HOUSING CONSTRAINTS

Governmental regulations, while intentionally regulating the quality of development in the community can also, unintentionally, increase the cost of development and thus the cost of housing. These governmental constraints include land use controls, building codes and their enforcement, site improvements, fees, and other exactions required of developers, and local processing and permit procedures. Land use controls may limit the amount or density of development, thus increasing the cost per unit. On site and off site improvements like road improvements, traffic signals on adjacent streets or sewer improvements may increase an individual project's costs of development. Processing and permit requirements may delay construction, increasing financing and/or overhead costs of a development.

GOVERNMENTAL CONSTRAINTS

LAND USE CONTROLS

The City's General Plan and Zoning Ordinance provides for a range of housing types and densities. The Land Use Element of the General Plan includes the following policies regarding housing:

Policy 2-13: Provide for a full range of ownership and rental housing unit densities, including apartments and other high-density housing.

Policy 2-14: Consider housing along with non-residential development, permitting it in addition to the non-residential development.

Policy 2-15: Ensure that the scale and density of new residential development and remodeling is reasonably compatible with the City's predominant single-family residential patterns, except in areas designated for high density housing.

Policy 2-16: Ensure that zoning requests related to lot size consider the need to preserve neighborhood land use patterns.

The Zoning Map for the City contains the following specific residential zones:

- Residential Hillside (RHS)
- Single Family Residential (R-1)
- Single Family Residential Cluster (R1C)
- Residential Duplex (R2)
- Multiple Family Residential (R3)

Densities in the RHS zones are limited by the slope of the hillside area and are under 1 unit per acre. The low density residential zones (R-1) typically allow 1-5 units per acre. R-2 can range from 5-10 units per acre. Multi-family residential can range up to 35 units per acre.

In addition to these designations, the City also allows residential use in Mixed Use zone areas. The density range allowed in the "Heart of the City" Specific Plan is from 8-35 units per acre, calculated at net density excluding parking and/or land areas devoted to the commercial portion of the property.

INFRASTRUCTURE CAPACITY

The City of Cupertino is an established community with infrastructure already developed and in place. Water service is provided by the San Jose Water District and sanitary sewer service is the responsibility of the Cupertino Sanitary District. The Sanitary District has identified some areas of Stevens Creek Boulevard which need larger pipe capacity and will be replacing those lines as new developments occur. Other than that area, the District indicates that there are no other constraints to development and that the treatment plant does not have any capacity issues.

The issue of traffic congestion has been identified as a potential constraint to housing development. The current (2001) General Plan contains the policy direction that "level of service D" shall be the minimum traffic level for major intersections. It further specifies that "level of service E+" shall be the minimum for the Stevens Creek and De Anza Boulevards intersection and for the De Anza Boulevard and Bollinger Road intersection. If new residential development will result in the level of service to drop below these minimum levels, then traffic could be considered a constraint to housing development. The City will monitor traffic levels through the environmental assessment stage of individual projects and will address traffic as a constraint to housing should it be found to be affecting residential development.

GOVERNMENTAL FEES

Land development within the City of Cupertino is subject to direct fees imposed by the City itself, fees imposed by the City on behalf of another governmental agency, and/or fees imposed by another governmental agency within the City boundaries. These fees are imposed for the purpose of offsetting capital expenditures necessary to accommodate development or for defraying the City's cost of reviewing a development proposal and providing required permits, plan checks, and inspection.

The table below identifies the typical fees for a single-family unit in 2001. Fees for a multi-family unit would be less because the square footage of a multi-family unit is typically smaller than that for an average single-family unit.

Single-Family Dwelling (2000 square foot house and 400 square foot garage)

Building Permit and Fees	\$1,184.00
Seismic	20.00
Electric	204.00
Plumbing	204.00
Mechanical	204.00
Plan Check	1,006.00
Plan Check Energy	355.00
Housing Mitigation Fee	2,400.00
Construction Tax	409.00
Geological Report	1,000.00
(Minimum for Hillside and Fault Areas)	
School Impact Tax	4,650.00
Sanitary Connection Permit	77.50
Park Fees	15,750.00
Storm Drain Fee	<u>325.00</u>
TOTAL	\$28,788.50

**Illustration #23:
Average Fees for
Single-Family
Unit, 2001**

The Park Fee of \$15,750 is the most substantial fee charged. However, it is important to note that this fee has not changed since the 1993 Housing Element was adopted. Further, the fee has been waived for affordable units and it is expected that it will continue to be waived for affordable units in the future.

PROCESSING TIME

The residential development process proceeds through various stages, each of which requires some form of City approval. Initial processing of a development application depends on the type of project proposed (e.g. Planned Unit Development, lot subdivision, etc.) as well as whether additional requirements will need to be met (e.g. rezoning of land, environmental reviews, etc.). Therefore, processing review times can vary depending on many different factors.

In Cupertino the processing of residential applications does not appear to be a constraint to the provision of housing. In fact, a survey of California communities reveals that Cupertino has much shorter processing times than the average California community. In their report, Raising the Roof: Statewide Housing Plan 2000, the State of California Department of Housing and Community Development summarizes average processing times for selected California communities. The average processing approval time for single-family projects was 11 months for all California communities and 5.7 months for Bay Area communities. The same report (pg. 106) evaluated a 342 unit development, Hamptons development, in Cupertino in regard to processing time and reviews necessary. The actual approval time for this development was 5.8 months which is similar to the average for other Bay Area communities and less than the average for all California communities.

BUILDING CODES AND SITE REQUIREMENTS

The Building Codes adopted by the City of Cupertino are the Uniform Building Code, Uniform Plumbing Code, Uniform Mechanical Code, and National Electric Code. The City's Building Codes have been adopted in order to prevent unsafe or hazardous building conditions. As such, the City's codes are a reasonable and normal enforcement of City regulations and do not act as a constraint to the construction or rehabilitation of housing.

The City's residential zoning standards are similar to other communities. The table on the following page (Illustration #24) provides examples of some of the more common setback requirements and minimum parcel sizes. As the table demonstrates, the City's requirements are somewhat flexible and exceptions can be granted, where appropriate. One of the major themes that is evident in the City's site standards is to ensure that any new development is compatible with the surrounding neighborhood. This is especially important as the City's vacant land inventory is reduced and there is a greater demand for infill and re-development of existing sites.

**Illustration #24:
Examples of Site
Requirements for
Residential Areas**

Zone District	Minimum Lot Size	Minimum Front Yard Setback	Side Yard Setback	Maximum Height	Parking Ratio
R-1*	5-6,000 square feet	20 feet	One side yard setback must be no less than 10 feet--the other no less than 5 feet	28 feet	4 spaces per density unit: 2 garage and 2 open
R-1C	No minimum development area	Flexible depending on design	Flexible depending on design	30 feet	2 spaces per density unit + 1.5 spaces for each bedroom after the 1st
R-3	Dependent on the number of units	20 feet	Side yards shall equal a minimum of 6 feet for single story, 9 feet for second story elements, and 18 feet for structures exceeding 2 stories or 24 feet in height	2 stories (30 feet)	2 spaces for each density unit: 1 covered and 1 uncovered
Heart of City Specific Plan (Multi-Unit Residential)	1/2 acre	9 feet from required Parkway Landscape Easement	20 feet from property line	3 Floors (36 feet) although exceptions may be granted for units over parking areas, etc.	N/A See parking requirements for respective uses.

* These are general guidelines and can vary depending on other variables such as corner lots, second story additions, etc. The City also has variations of its standards for the Eichler homes in the community in order to preserve their architectural and site attributes.

Second Unit Standards

Second units are allowed in single-family residential neighborhoods with the following development standards:

Parking Requirements: One functionally independent, paved off-street space.

Floor Area Ratio: Up to 45%, including all buildings, in R-1.

Attached/Detached: Detached Second Unit allowed on lots of 10,000 square feet or larger.

Maximum Square Footage: 640 square feet maximum

Occupancy: During Fall, 2001 the City will be eliminating the requirement that a property owner live in either the main unit or the second unit.

MARKET CONSTRAINTS

There are a number of costs involved in the development of housing. These include land and construction costs, site improvements (streets, sidewalks, etc.), sales and marketing, financing and profit. Because these costs are so market sensitive, it is difficult for a local governmental body to reduce them in any way.

As is true for most Bay Area communities, Cupertino is an expensive housing market. Because of its location and the high quality of its public school district, Cupertino is viewed as a desirable place to live. Developable land is available but purchase costs are high. The Construction Industry Research Board reports that the median cost per square foot for new residential construction (including land and overhead costs) was \$246 per square foot in Santa Clara County in 2000.

Construction costs for residential development can of course vary depending on whether the unit is part of a tract development or is being built as a custom or "spec" house. Average costs just for construction can range from \$60 to \$200 and up per square foot, depending on the type of housing construction, amenities, quality of improvements, etc. There is little that local governments can do to control either the cost of construction or the cost of land because they are definitely private-market driven forces.

Developers in the Cupertino area report that financing of new residential development is not a problem. Financing is available and is provided at reasonable terms and conditions. The Cupertino area is viewed as a desirable area to develop housing and many of the developers report long-standing relationships with financial institutions that help provide attractive financial packages. Mortgage financing is also available to homebuyers through lending resources such as banks, savings and loans, mortgage brokers, etc.

PRODUCING AFFORDABLE HOUSING IN TODAY'S MARKET

The expensive land and construction costs in the area also affect the production of affordable housing. Non-profit developers who have built affordable housing units in the Santa Clara County area in the 2000-2001 time period report that their average cost to build a multi-family family unit is \$230,000 and approximately \$124,500 for a multi-family elderly unit. The cost of providing an affordable single-family, small lot home is at least \$400,000 in today's market.

Subsidies are always necessary in order to make these units "affordable" to very low, low and moderate-income households. In fact, most truly affordable housing developments in California today require 10-12 different subsidy sources in order to make the project financially feasible. An excellent example of this is the approved, but not yet constructed as of 2001, "Heart of Cupertino" 24-unit very low and low-income development. Included as part of their funding sources are federal CDBG and HOME funds, \$1.6 million from the City's Affordable Housing Fund, 501 (c)(3) bond financing, Sobrato Family Housing Fund, and equity from the non-profit owner, Cupertino Community Services.

SUMMARY ANALYSIS OF CONSTRAINTS ON CUPERTINO'S HOUSING MARKET

As the discussion on the previous pages indicates, the high cost of acquiring land and construction is a major constraint towards the provision of housing, especially affordable housing. Cupertino is located in the San Francisco Bay Area, which is consistently identified as one of the most expensive housing markets in the country. There is very little that municipal governments can do to affect the cost of land or construction because they are a result of private market forces.

The City can, however, ensure that several components are "in place" and part of the overall housing strategy to produce affordable housing. These components include available land at higher densities, financing and subsidy assistance and, a motivated and experienced developer.

In regard to governmental constraints, one area that the City can modify is to encourage the use of incentives such as density bonuses and concessions for affordable housing when developers are presenting proposals for affordable housing. There should be an increased marketing effort on the part of City staff to provide information about the benefits of providing affordable housing, in excess of that which is required by the City's Housing Mitigation Program.

The chapter that follows (Chapter 8) describes the strategy section of this Housing Element. This chapter also represents the summary of the Housing Element Technical Document. As such, Chapter 8 is the representative chapter for the Housing Element, which is inserted into the General Plan document.

8. HOUSING PROGRAM STRATEGY: 2001-2006

INTRODUCTION

State Housing Element law (State of California Government Code, Article 10.6) identifies the type of information that must be included in a community's Housing Element. Included in these requirements are an analysis of the housing stock and households, estimates of Regional Housing Needs, evaluation of past progress in meeting Housing Element goals and, projected goals, policies and programs. The Housing Element must be periodically reviewed for certification by the State Department of Housing and Community Development. Because much of the information required for State certification is statistical and must be updated every five years, Cupertino has prepared a separate Technical Document that supplements the General Plan. The Technical Document includes the data required for State compliance and is incorporated by reference here as part of the General Plan.

This chapter includes a summary of some of the more significant information found in the Technical Document. Following that summary is a complete listing of the goals, policies and programs for the 2001-2006 time frame of the Housing Element.

COMMUNITY PROFILE

POPULATION AND HOUSEHOLDS

Since its incorporation in 1955, the City of Cupertino's population has increased significantly. In 1955, the population of the incorporated area was less than 2,500 people. The 2000 U.S. Census data indicates that the population of Cupertino had increased to a total of 50,546 persons. ABAG (Association of Bay Area Governments) estimates that the population in the City and its sphere of influence will increase by 19% between 2000-2020. The population for Cupertino and its sphere of influence in 2020 is estimated to be 66,400 persons.

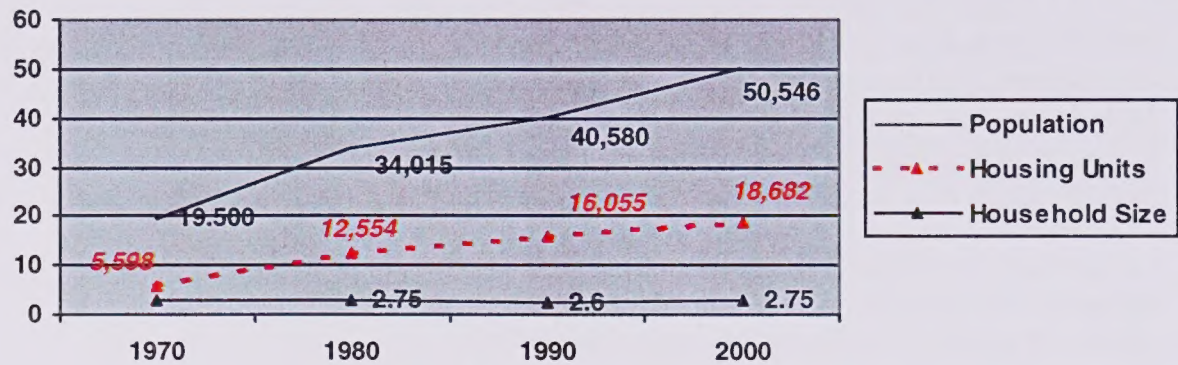
The ethnic composition of Cupertino's population has become more diverse in recent decades. The most significant change has been the increase in the Asian-American population. In 1980, Asian-Americans represented 6.9% of Cupertino's population. However, in 2000, the proportion of Asian-Americans in Cupertino's population had increased to 44% of the total population.

For purposes of evaluating housing supply and demand, it is helpful to translate population figures into household data. The U.S. Bureau of the Census defines a household as all persons who occupy a housing unit, which may include single persons living alone, families related through marriage or blood, and unrelated individuals living together. The 2000 U.S. Census data indicated that there were a total of 18,204 households in Cupertino. Approximately 75% of those households were classified as "family" households and the remaining 25% were "non-family" households (primarily individuals living alone).

It is estimated that 13% of all Cupertino households can be classified as "lower income households. This 13% figure includes 1,547 households who are estimated to be very low-income and 801 low-income households. In 2001, a household of four persons with a maximum income of \$43,650 annually was considered very low-income, or if their income didn't exceed \$69,050 annually, they would be considered low-income.

Trends in Population, Housing Units and Household Size

Household size has remained relatively flat in recent decades. In 1980, the average household size in Cupertino was 2.75 persons per household. Between 1980-90, the average household size decreased to 2.60 persons per household. However, by 2000, the average household size reverted back to the 2.75 persons per household figure.



Source: U.S. Census 1970, 1980, 1990, 2000

HOUSING UNITS

Cupertino's housing stock was primarily built in the decades after World War II and reflects its suburban, residential character. There were a total of 18,682 housing units in Cupertino in 2000 and the majority of those units were single-family housing units.

Housing costs are expensive in Cupertino. In January, 2001, the median sales price for a single-family home in Cupertino was in excess of \$1 million dollars. For the same general time period, the average rent for a multi-family rental unit was \$2,353 per month. These costs far exceed the ability of very low and low income households to pay for affordable housing. It is estimated that in 2001 at least 1,651 lower income households were "overpaying" for housing (paying more than 30% of their income for housing costs).

From 1990-2000, a total of 2,074 new units were added to Cupertino's housing stock. This represents a production rate of approximately 200 units per year. The new construction objective from the City's previous Housing Element for the 1990-95 time frame was not achieved. Only 10% of the estimated 2,587 units to be produced were actually developed.

PROJECTED HOUSING NEEDS

1. NEW CONSTRUCTION

a) Adequate Sites for ABAG Estimated New Construction Need

ABAG has estimated that the City needs to provide adequate sites to accommodate 2,720 units for the time period of 1999-2006. After adjusting for the housing units already provided between 1999-2001, the revised estimate is that adequate sites are needed for 2,325 units from 2001-2006, or 465 units per year. Based on the fact that the City during the past decade has added an average of 200 units per year to the housing stock, this 5-year goal of 2,325 units will need to be aggressively pursued from 2001-2006.

b) Balanced Community of Job and Housing Opportunities

One of the most challenging issues facing Cupertino is the goal of achieving a better balance between jobs and housing in the community. In 2001, ABAG estimated that there were 2.4 jobs for every household in Cupertino. This ratio indicates that Cupertino is a "job rich" community and there is a need to achieve a better balance between jobs and housing. In order to achieve this, Cupertino needs to monitor the number of new jobs created in relationship to the number and type of housing units also being developed.

2. AFFORDABLE HOUSING

The goal of adequate sites for 2,325 new units for 2001-2006 is further refined by estimating the number of units needed for very low, low and moderate income households. Adequate sites at appropriate densities need to be provided to accommodate housing units affordable to the following household income groups.

HOUSEHOLD INCOME CATEGORY	NUMBER OF UNITS
Very Low-Income	378 Units
Low-Income	188 Units
Moderate- Income	626 Units
Above Moderate- Income	1,133 Units
TOTAL	2,325 UNITS

3. CONSERVATION OF EXISTING HOUSING

The City's existing rental stock provides a source of affordable housing for lower and moderate income households. In 2001, there were 292 rental units with affordability controls in Cupertino. In addition, there were 3 group homes providing housing for a total of 25 persons/households. One of the most significant needs during the 2001-2006 time period is to conserve the existing rental housing stock. In particular, the City will monitor the potential conversion of any affordable units to market rate, specifically the 100 unit Sunnyview development (affordability subsidies are scheduled to expire in 2004).

4. SPECIAL HOUSING NEEDS

Some of the households that have special housing needs in Cupertino include homeless, elderly and disabled households. The City needs to continue its relationship with special need providers and to support the provision of additional housing opportunities where feasible.

5. EQUAL ACCESS TO HOUSING

A fundamental right is the ability for all persons to have equal access to housing, regardless of factors such as religion, ethnicity, age or sexual orientation. It is important that the City continue to ensure equal access to housing and to support groups and organizations that provide fair housing counseling/information services.

GOALS, POLICIES AND PROGRAMS (2001-2006)

THE FOLLOWING PAGES INCLUDE GOALS, POLICIES AND PROGRAMS DESIGNED TO ADDRESS THE NEEDS AS IDENTIFIED ABOVE AND IN THE HOUSING ELEMENT TECHNICAL DOCUMENT.



GOAL 1: EXPAND THE SUPPLY OF RESIDENTIAL UNITS FOR ALL ECONOMIC SEGMENTS

Policy 3-1: Designate sufficient residentially-zoned land at appropriate densities to provide adequate sites that will meet ABAG's estimate of Cupertino's new construction need of 2,325 units for 2001-2006. Included with that need are the following objectives:

Units Affordable to Very Low Income:	378 units
Units Affordable to Low Income:	188 units
Units Affordable to Moderate Income:	626 units
Units Affordable to Above Moderate Income:	<u>1,133 units</u>
TOTAL	2,325 Units

Implementation Programs:

■ 1. Housing Units by Planning Districts

Encourage residential development in the following planning districts, as provided below. Residential development in these planning districts includes mixed-use, multi-unit residential, and single-family residential at a density of 15-35+ units per acre. Adequate infrastructure is currently available to all districts. *(Please see map on page 73, which identifies the locations for the proposed units by Planning District.)*

Time Frame: 2001-2006

Responsible Party: City of Cupertino, Planning Department

Quantified Objective:

<i>Heart of the City District</i>	433 Units at 35 Units per Acre (12.5 Acres)
<i>North DeAnza District</i>	150 Units at 35 Units Per Acre (4.25 Acres)
<i>Bubb Planning District</i>	150 Units at 15 Units Per Acre (10 Acres)
<i>Homestead District</i>	605 Units at 50 Units Per Acre (12 Acres)
<i>Undesignated</i>	<u>40 Units</u> at 20 Units Per Acre (2 Acres)
TOTAL	1,378 Units

■ 2. Land Use Designations

In order to allow for the number of units as identified in Program #1 (Housing Units by Planning Districts), some parcels of land in the specified Planning Districts will need a change in land use designation or zoning. The City will change land use designations/zoning to reflect at least the density range of

ADEQUATE
SITES FOR
HOUSING



Pinn Brothers Development is an example of redevelopment of underutilized land. The site formerly was 19,000 square feet of retail use. The recently approved mixed-use development plan for the site includes 46 townhomes and office/commercial use. The density of the residential area is 35 units per acre.

15-50 units per acre on those parcels during the 2001-2002 update of the General Plan.

Time Frame: 2001-2002

Responsible Party: City of Cupertino, Planning Department

Quantified Objective:

North DeAnza District: Revise zoning so that all 4.25 acres are zoned at a minimum of 35 units per acre.

Bubb District: Revise zoning so that all 10 acres are zoned at a minimum of 15 units per acre.

Homestead District: Revise zoning of 2 acres to 50 units per acre so that a total of 12 acres are zoned at 50 units per acre.

■ 3. Existing Inventory of Residential Parcels

Include the existing inventory of residentially-zoned parcels that have been identified as vacant, underdeveloped or infill parcels in addressing the Regional Housing Need.

Time Frame: 2001-2006

Responsible Party: City of Cupertino, Planning Department

Quantified Objective:

439 Units at <15 Units Per Acre, 29 Acres Total

182 Units at 15-20 Units Per Acre, 12 Acres Total

326 Units at 20-35+ Units Per Acre, 16 Acres Total

■ 4. Second Dwelling Unit Ordinance

Evaluate and revise, if necessary, the Second Dwelling Unit Ordinance to encourage the production of more second units on residential parcels. Evaluate existing parking, square footage minimums and other requirements to determine whether revisions would encourage the development of more second units.

Time Frame: 2001-2002 Evaluate and revise program, if necessary
2001-2006: Continue to implement program

Responsible Party: City of Cupertino, Planning Department

Quantified Objective: 25 Second Units Produced, 2001-2006

Policy 3-2: Identify sites for 500 additional housing units (units in addition to the 2,325 unit Regional Housing Need Allocation) as part of the General Plan Update, subject to analysis of traffic and other related impacts.

■ **5. General Plan Update**

During the General Plan Update of 2001-2002, sites will be evaluated to provide 500 dwelling units, in addition to those identified for the Regional Housing Need Allocation. Sites will be evaluated based on environmental impacts and traffic analysis. If these impacts are determined to be minimal, the City may choose to designate sites for up to 500 housing units.

Time Frame: 2001-2002

Responsible Party: City of Cupertino, Planning Department

Quantified Objective:

- 80 Very Low Income Units
- 40 Low Income Units
- 135 Moderate Income Units
- 245 Above-Moderate Income Units
- 500 Units



GOAL 2: DEVELOP HOUSING THAT IS AFFORDABLE FOR A DIVERSITY OF CUPERTINO HOUSEHOLDS

Policy 3-3: Implement the City's Housing Mitigation Plan, which addresses affordable housing needs for owner and renter housing in the community. Assign priority to households who live or work in Cupertino for BMR units produced through the plan or affordable housing units built with mitigation fees.

Implementation Programs:

■ **6. Housing Mitigation Plan: Office and Industrial Mitigation**

The City will continue to implement the "Office and Industrial Mitigation" fee program. This program requires that developers of office and industrial space pay a fee which will then be used to support affordable housing for families who work in Cupertino but live elsewhere. These fees are collected and then deposited in the City's Affordable Housing Fund. The City will conduct an updated "nexus" study to determine whether the manner in which fees are calculated is still appropriate.

Time Frame: 2002-2003 Conduct updated nexus study
2001-2006 Implement Mitigation Plan

Responsible Party: City of Cupertino, Planning Department

■ **7. Housing Mitigation Plan: Residential Mitigation**

The City will continue to implement the "Housing Mitigation" program. This program applies to all new residential development of one unit or greater.

**AFFORDABLE
HOUSING
PROVIDED
BY
HOUSING
MITIGATION
PLAN**

Mitigation includes either the payment of an in-lieu fee or the provision of a Below Market Rate (BMR) unit or units. Projects of 10 units or more must provide on-site BMR units. Projects of 9 units or less can either build a unit or pay an in-lieu fee. Implementation of the program shall include:

- a) priority for occupancy to households who reside, work, attend school or have family in Cupertino;
- b) additional priority for households with wage earners who provide a public service; specifically, employees of the City, local school district and public safety agencies;
- c) utilize City's Affordable Rent Schedule as a guideline in setting rents for new affordable housing;
- d) update the rent schedule each year as new income guidelines are received and determine a uniform method for allowing rent adjustments for affordable housing;
- e) allow developers to meet all or a portion of their BMR requirement by making land available for the City or a non-profit housing developer to construct affordable housing;
- f) require BMR units to remain affordable for a minimum of 99 years;
- g) enforce the City's first right of refusal for BMR units, and
- h) revise the program requirement from 10% to 15% immediately upon adoption of 2001 Housing Element.

Time Frame: Fall/Winter, 2001: Increase 10% BMR requirement to 15%

2001-2006: Implement Program

Responsible Party: City of Cupertino, Planning Department

Quantified Objective: 159 very low income units

159 low income units

53 median income units

53 moderate income units

8. Affordable Housing Fund

The City's Affordable Housing Fund provides financial assistance to affordable housing developments. "Requests for Proposals" (RFPs) will be solicited from interested parties to develop affordable units with housing funds. Affordable housing funds will be expended in the following manner (ranked in order of priority):

- a) Finance affordable housing projects in Cupertino.
- b) Establish a downpayment assistance plan that may be used in conjunction with the BMR program or to make market rate units more affordable. The assistance should be in the form of low interest loans and not grants.
- c) Establish a rental subsidy program to make market rate units more affordable.

Time Frame: 2001-2006

Responsible Party: City of Cupertino, Planning Department

Quantified Objective: 40 very low income units

40 low income units

**AFFORDABLE
HOUSING
FUND**

Policy 3-4: Encourage the development of a diverse housing stock that provides a range of housing types (including smaller, moderate cost housing) and affordability levels. Emphasize the provision of housing for lower and moderate income households and, also, households with wage earners who provide a public service (e.g. school district employees, municipal and public safety employees, etc.)

■ **9. Mortgage Credit Certificate Program**

Participate in the countywide Mortgage Credit Certificate (MCC) Program. This program allocates mortgage credit certificates to first-time homebuyers to purchase housing units. Due to the high cost of housing units in Cupertino, it is estimated that most of the County's MCCs will be used in the City of San Jose, where there are more low cost housing units available for sale.

Time Frame: 2001-2006

Responsible Party: Santa Clara County Mortgage Credit Certificate Program

Quantified Objective: 1-2 Households Assisted Annually

■ **10. Move in For Less Program**

The Tri-County Apartment Association is managing this program which recognizes the high cost of securing rental housing. The program is geared to classroom teachers in public or private schools who meet income criteria. Apartment owners/managers who agree to participate in the program require no more than 20% of the monthly rent as a security deposit from qualified teachers.

Time Frame: 2001-2006

Responsible Party: Tri-County Apartment Association and City of Cupertino

■ **11. Surplus Property for Housing**

In conjunction with local public agencies, school districts and churches, the City will develop a list of surplus property or underutilized property that have the potential for residential development, compatible with surrounding densities. Additionally, long-term land leases of property from churches, school districts and corporations for construction of affordable units shall be encouraged. Further, the feasibility of developing special housing for teachers or other employee groups on the surplus properties will also be evaluated. Teacher-assisted housing programs in neighboring districts, such as Santa Clara Unified School District, will be reviewed for applicability in Cupertino.

Time Frame: 2002-2003: Develop list of surplus properties and evaluate feasibility of developing residential units on properties.

Responsible Party: City of Cupertino, Planning Department

■ **12. Jobs/Housing Balance Program**

As part of the development review process, the City will evaluate the impact of any application that will produce additional jobs in the community. The purpose of the evaluation is to describe the impact of the new jobs on the City's housing stock, especially in relation to the jobs/housing ratio in the City.

In 2001, ABAG's estimate of the City's job/housing ratio was 2.4 jobs to every household. The goal is to reduce this ratio during the time frame of this Housing Element. Further, the City will evaluate the feasibility of developing a policy and/or program that conditions approval of job producing activities to housing production.

Time Frame: 2002-2003: Develop procedure to evaluate job-producing development proposals. Evaluate feasibility of policy and/or program that ties new job production to housing production.

2002-2006: Implement procedure

Responsible Party: City of Cupertino, Planning Department

Policy 3-5: Pursue and/or provide funding for the construction or rehabilitation of housing that is affordable to very low, low and moderate income households. Actively support and assist non-profit and for-profit developers in producing affordable units.

Implementation Programs:

■ **13. Affordable Housing Information and Support**

The City will provide information, resources and support to developers who can produce affordable housing. Information will be updated on a regular basis in regard to available funding sources and be distributed to all interested developers. In addition, information regarding additional City incentives such as the Density Bonus Program (see program #14) will also be provided and updated on a regular basis. Further, the City will involve the public from the beginning of an affordable housing application so that there are fewer objections to the project as it goes through the City approval process.

Time Frame: 2001-2006

Responsible Party: City of Cupertino, Planning Department

Policy 3-6: Maintain and/or adopt appropriate land use regulations and other development tools to encourage the development of affordable housing. Make every reasonable effort to disperse units throughout the community but not at the expense of undermining the fundamental goal of providing affordable units.

Implementation Programs:

■ **14. Density Bonus Program**

The City's Density Bonus Program provides for a density bonus and additional concessions for developments of 6 or more units that provide affordable housing for families and seniors. Included in the concessions are reduced parking standards, reduced open space requirements, reduced setback requirements, and approval of mixed use zoning. The City will change the Ordinance definition of affordable unit to housing costs affordable at 30% of household income for very low and low-income households.

Time Frame: 2002-2003 Change affordability definition

Responsible Party: City of Cupertino, Planning Department

■ 15. Regulatory Incentives

The City will continue to waive park dedication and construction tax fees for all affordable units. Parking standards will also be discounted for affordable developments. For mixed-use and higher density residential developments, the Planning Commission or City Council may approve deviations from the Parking Regulations Ordinance of the Cupertino Municipal Code, if the applicant can provide a study supporting the deviation. Further, the City will continue to efficiently process all development applications.

Time Frame: 2001-2006

Responsible Party: City of Cupertino, Planning Department

■ 16. Residential and Mixed Use Opportunities In or Near Employment Centers

The City will encourage mixed use development and the use of shared parking facilities in or near employment centers. In addition to the development opportunities available through the "Heart of the City" Specific Plan, the City will evaluate the possibility of allowing residential development above existing parking areas. In specific, these areas would be near or adjacent to employment centers and could provide additional opportunities for housing.

Time Frame: 2002-2003 Evaluate parking opportunity sites

2002-2003 Evaluate incentives that may be offered to encourage residential development in or near employment centers.

Responsible Party: City of Cupertino, Planning Department

Policy 3-7: When the City begins to collect tax increment revenues from the Redevelopment Project Area, a minimum of 20% of tax increment funds generated will be used for housing activities that create affordable housing for lower and moderate income households.

Implementation Program:

■ 17. Redevelopment Housing Set-Aside Funds

The City has established a Redevelopment Project Area but has not yet collected tax increment funds. When those funds are collected, a minimum of 20% of tax increment funds will be directed to housing activities. The Redevelopment Agency will develop policies and objectives for the use of those funds. All policies and objectives shall be developed to reflect the goals and objectives of this Housing Element.

Time Frame: 2002-2003 Develop Policies and Objectives for Use of Housing Set-Aside Funds

Responsible Party: City of Cupertino, Planning Department



GOAL 3: CONSERVE AND ENHANCE RESIDENTIAL NEIGHBORHOODS

Policy 3-8: Assist very low and low-income homeowners and rental property owners to maintain and repair their housing units.

Implementation Programs:

■ 18. Housing Rehabilitation Program

This program provides financial assistance to eligible very low and low-income homeowners to rehabilitate their housing units. The County of Santa Clara, Housing and Community Development (HCD), administers the program on behalf of the City of Cupertino. When the City becomes an Entitlement community in 2002-2003, housing rehabilitation activities will continue to be funded.

Funding Source: CDBG Funds

Time Frame: 2001-2006

Responsible Party: City of Cupertino and County of Santa Clara (HCD)

Quantified Objective: 5 Housing Units Rehabilitated Annually

■ 19. Home Access Program

The Home Access Program provides assistance with minor home repairs and accessibility improvements for lower-income, disabled households. Economic and Social Opportunities (ESO) administers the program under a contract with the County of Santa Clara.

Funding Source: Santa Clara County Urban County CDBG Funds

Time Frame: 2001-2006

Responsible Party: ESO and County of Santa Clara (HCD)

Quantified Objective: 3-5 Households Assisted Annually

■ 20. Weatherization Program

This program assists very low income homeowners with weatherization improvements to their homes. The program is administered in Cupertino and other areas of the County by Economic and Social Opportunities (ESO)

Funding Source: State of California Energy Conservation Program

Time Frame: 2001-2006

Responsible Party: ESO

Quantified Objective: 3-5 Households Assisted Annually

**REHABILITATION
PROGRAMS
INCLUDE
ACCESS AND
WEATHERIZATION
IMPROVEMENTS**



21. Apartment Acquisition and Rehabilitation

The County of Santa Clara administers HOME and CDBG funds on behalf of the members of the Urban County and HOME Consortium. The City of Cupertino participates in both the Urban County and Consortium activities. Funds are available on a competitive basis to developers to acquire and rehabilitate rental units for very low and low-income households. When the City becomes an entitlement community in 2002-2003, the City will continue to include the availability of HOME and CDBG fund for apartment acquisition and/or rehabilitation.

Funding Source: HOME and CDBG Funds

Time Frame: 2001-2006

Responsible Party: City of Cupertino

Policy 3-9: Conserve the existing stock of owner and rental housing units, which provide affordable housing opportunities for lower and moderate income households.

Implementation Programs:



22. Preservation of "At Risk" Units

The only affordable housing development at risk of converting to market rate is the Sunnyview development. The expiration date of their federal subsidy is May 31, 2004. However, the development is considered at low risk for converting because it is owned by a non-profit organization which has indicated that it will renew the assistance again in 2004. However, the City will monitor the development and will initiate contact in late 2003 with the owner and HUD to ensure that the units remain affordable

Time Frame: 2003 Initiate contact with owner and HUD to determine status of subsidy renewal

Responsible Party: City of Cupertino, Planning Department

Quantified Objective: 100 Units Preserved as Affordable Housing



23. Condominium Conversions

The City's existing Condominium Conversion Ordinance prevents the conversion of rental units in multi-family housing developments from converting to condominiums. Condominium conversions are not allowed if the rental vacancy rate in Cupertino is less than 5% at the time of the application for conversion and has averaged 5% over the past six months. The City will continue to implement this Ordinance in order to preserve the rental housing stock.

Time Frame: 2001-2006

Responsible Party: City of Cupertino, Planning Department

Quantified Objective: No Conversions



24. Rental Housing Preservation Program

The City's existing multi-family rental units provide housing opportunities for households of varied income levels. The City will develop and adopt a program that includes the following guidelines:

When a proposed development or redevelopment of a site would cause a loss of multi-family rental housing, the City will grant approval only if at least two of the following three circumstances exist:

- The project will produce at least a 100% increase in the number of units currently on the site and will comply with the City's BMR Program, and/or
- The number of rental units to be provided on the site is at least equal to the number of existing rental units, and/or
- No less than 20% of the units will comply with the City's BMR Program.

Further, the preservation program will include a requirement for a tenant relocation plan with provisions for relocation of tenants on site as much as possible.

Time Frame: 2002-2003 Design and Program
2002-2006 Implement Program

Responsible Party: City of Cupertino, Planning Department

■ 25. Conservation and Maintenance of Affordable Housing

Develop a program to encourage the maintenance and rehabilitation of residential structures to preserve the older, more affordable housing stock.

Time Frame: 2003-2004 Design Program
2004-2006 Implement Program

Responsible Party: City of Cupertino, Planning Department

■ 26. Neighborhood and Community Cleanup Campaigns

Continue to encourage and sponsor neighborhood and community clean up campaigns for both public and private properties.

Time Frame: 2001-2006

Responsible Party: City of Cupertino, Planning Department

Policy 3-10: Encourage energy conservation in all existing and new residential development.

Implementation Programs:

■ 27. Energy Conservation Opportunities

The City will continue to enforce Title 24 requirements for energy conservation and will evaluate utilizing some of the other suggestions as identified in Chapter 9 of this document.

Time Frame: 2001-2006

Responsible Party: City of Cupertino, Planning Department

■ 28. Fee Waivers or Reductions For Energy Conservation

The City will evaluate the potential to waive or reduce fees for energy conservation improvements to residential units (existing or new).

Time Frame: 2002-2003

Responsible Party: City of Cupertino, Planning Department



GOAL 4: SUPPORT ORGANIZATIONS THAT PROVIDE SERVICES TO SPECIAL NEED HOUSEHOLDS

Policy 3-11: The City will continue to support organizations that provide services to special need households in the City; such as homeless, elderly, disabled and single parent.

Implementation Programs:

■ **29. Cupertino Community Services (Homeless Services)**

Cupertino Community Services (CCS) manages transitional housing and administers the "Continuum of Care" services for homeless, including the rotating shelter program. In order to facilitate any future emergency shelter needs, the City will revise the Zoning Ordinance to allow permanent emergency shelter facilities in "BQ" quasi-public zones and will promote and encourage the location of permanent shelters in BQ zones.

Funding Source: County of Santa Clara Urban County funds and federal funds

Time Frame: 2001-2002 Revise Zoning Ordinance to allow permanent emergency shelters in BQ zones
2001-2006 Continue to support services of CCS to assist homeless households

Responsible Party: Cupertino Community Services

Quantified Objective: Transitional Housing for 12-24 Households Annually

■ **30. Project MATCH (Seniors)**

Project MATCH places seniors in housing arrangements with other persons interested in shared housing. Seniors may either be the homeowner who has extra bedroom space to share with another or the person who rents a bedroom from another household. Project MATCH is funded with County of Santa Clara Urban County funds.

Funding Source: County of Santa Clara Urban County Funds

Time Frame: 2001-2006

Responsible Party: Project MATCH

Quantified Objective: 5-10 Cupertino Households Placed Annually

■ **31. Catholic Social Services (Single Parents)**

Catholic Social Services provides helps to place single parents in shared housing situations. The program is funded with Santa Clara County Urban County funds.

Funding Source: County of Santa Clara Urban County Funds

Time Frame: 2001-2006

Responsible Party: Catholic Social Services

Quantified Objective: 5-10 Cupertino Households Placed Annually

■ **See Program # 19 in this Chapter for the Home Access Program which provides accessibility improvements. (Disabled Households)**



GOAL 5: ENSURE THAT ALL PERSONS HAVE EQUAL ACCESS TO HOUSING OPPORTUNITIES

Policy 3-12: Support programs and organizations that seek to eliminate housing discrimination.

Implementation Programs:

■ **32. Santa Clara County Fair Housing Consortium**

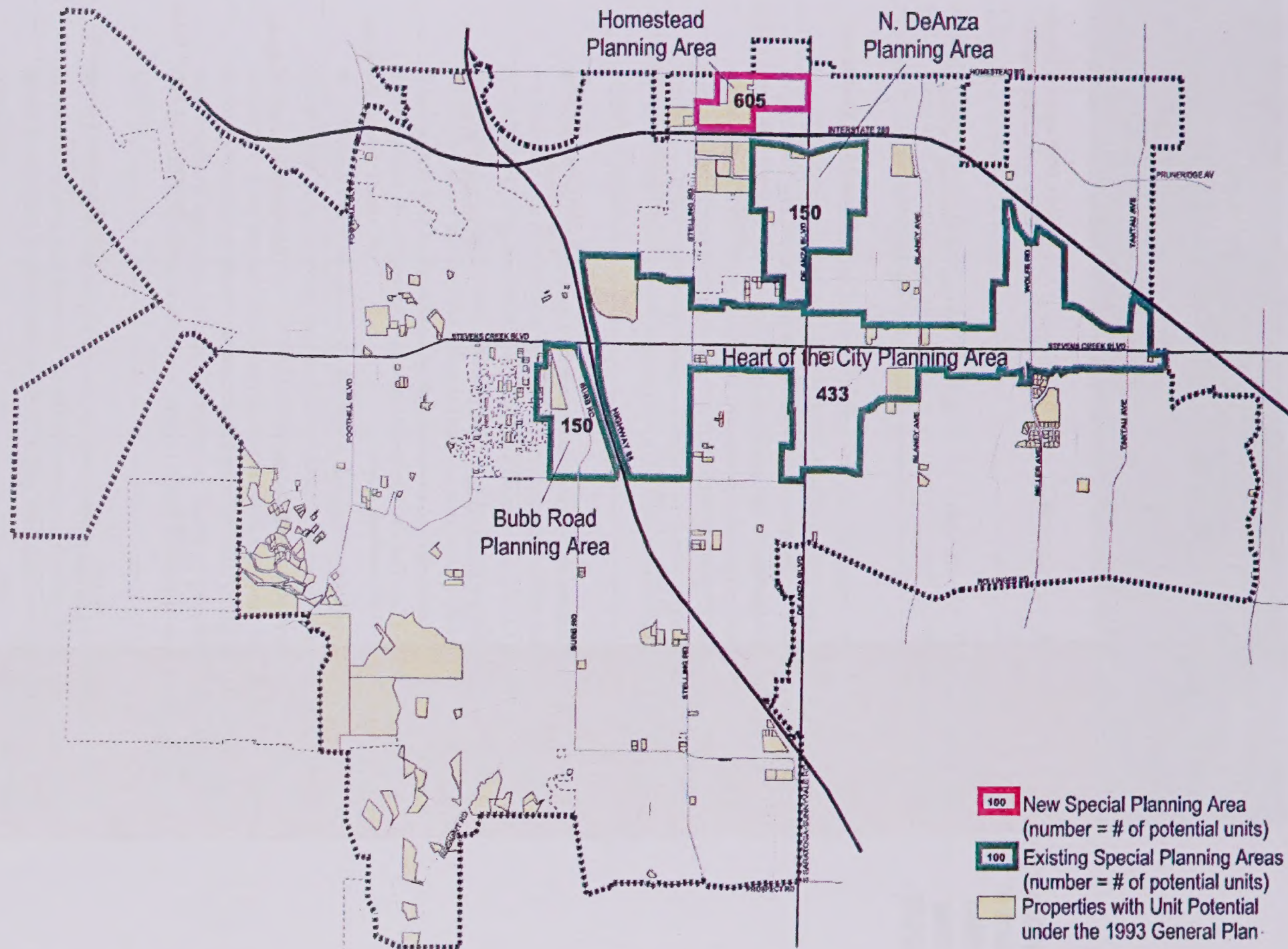
The Santa Clara County Fair Housing Consortium includes the Asian Law Alliance, Mid-Peninsula Citizens for Fair Housing, Project Sentinel and the Mental Health Advocates Program. These organizations provide resources for Cupertino residents with tenant/landlord, rental mediation, housing discrimination and fair housing concerns. Administrative funding for these organizations is partially contributed by County of Santa Clara Urban County funds.

Funding Source: County of Santa Clara Urban County Funds

Time Frame: 2001-2006

Responsible Party: Santa Clara County Fair Housing Consortium

The map on the facing page illustrates the location and number of units estimated by Planning Area to accomplish the goals of Programs 1 and 2 on pages 60 and 61 of this document.



**Illustration #25:
Summary of
Quantified
Objectives
2001-2006**

Type of Activity	Income Level of Households Assisted				Number and Name of Program
	Very Low	Low	Moderate	Above Moderate	
ADEQUATE SITES FOR REGIONAL HOUSING NEED	1,378 Units				1. Units by Planning District 2. Land Use Designations
	326 Units		182 Units	439 Units	3. Existing Inventory
			25 Units		4. Second Unit Ordinance
AFFORDABLE HOUSING PROGRAMS	159 Units	159 Units	106 Units		7. Housing Mitigation (BMR) Program
	40 Units	40 Units			8. Affordable Housing Fund
			5-10 Households		9. Mortgage Credit Certificates
HOUSING REHABILITATION	25 Units Rehabilitated				18. Housing Rehabilitation
	15-25 Households Assisted				19. Home Access Program
	15-25 Households Assisted				20. Weatherization Program
PRESERVATION OF EXISTING HOUSING	100 Units				22. Preserve "At Risk" Units
SPECIAL NEED HOUSING	60-120 Households				29. Cupertino Community Services
	25-50 Households				30. Project MATCH
	25-50 Households				31. Catholic Social Services

9. ENERGY CONSERVATION OPPORTUNITIES

ENERGY CONSERVATION AND RESIDENTIAL DEVELOPMENT

Energy conservation is achieved at both the local and individual level. During the planning and development process, there are many opportunities for local governments to support energy efficient models. Such proven methods include:

- Ensure effective enforcement of the State of California Title 24 energy efficiency standards for residential and non-residential buildings. The Building Department will provide guidance and assistance to applicants to make compliance as effective and efficient as possible. Building Department representatives will attend annual Title 24 standards and enforcement training courses offered through the California Energy Commission, the California Building Officials Training Institute, or other qualified programs. The City shall encourage building inspectors to earn a California Codes Credential from the California Building Officials Training Institute.
- Promote the construction of housing that exceeds minimum state Title 24 performance standards by coordinating with federal, state and utility incentives and technical assistance programs, such as Energy Star Homes (supported by EPA and DOE) and PG&E Comfort Homes. The City will consider the feasibility of local incentives for development that is more efficient than the state energy standards, such as subsidized permit fees or expedited permit processing. Adoption of a local ordinance requiring new development to exceed state standards will also be considered.
- Promote proper solar site orientation through enforcement of the California Subdivision Map Act requirement that subdivision plans provide, to the extent feasible, for future passive or natural heating and cooling opportunities. This includes the design of lot size and configuration to permit north-south orientation of a residence for minimized east- and west-facing window area, to maximize window area with southern exposure, to take advantage of shade or prevailing breezes, and to ensure sufficient south-facing roof area to accommodate passive and active solar systems.
- In future street development, encourage narrower streets to reduce heat-absorbing pavement area and increase the effectiveness of shading from street trees. Projected traffic flow, parking requirements, safety, cost, and energy efficiency shall be considered.
- Promote landscaping to cool neighborhoods and residences in the summer and reduce heat loss in the winter. Medium to large-canopied trees located in roadside planting areas at regular intervals will minimize the exposure of street asphalt to the

sun, reducing ambient neighborhood temperatures 5-10 degrees through shading and evapotranspiration (water in leaves converting into vapor, cooling the air). Yard trees and shrubs placed to shade west- and east-facing windows of residences will reduce solar heat gain from direct summer sunlight. Use of deciduous trees to shade southern windows will allow solar radiation in the winter.

- Encourage landscape design to minimize water use, maximize energy efficiency, and conserve resources through proper irrigation techniques, use of drought-tolerant native species, and reduce use of organic fertilizers and pesticides.
- Promote awareness of light-colored surfacing on pavements and rooftops to reduce heat absorption. New materials for shingled rooftops and paved roadways are being developed that reflect more sunlight and last longer than standard applications.
- Strengthen the energy performance of existing housing. The City will consider adopting a residential energy conservation ordinance requiring residential units to meet minimum energy efficiency requirements at the time of re-sale or major renovation.
- Encourage pool covers and solar pool heating systems in place of conventional methods for pools in public and private facilities, multi-family developments, and single-family properties.
- Encourage installation of solar energy systems, such as rooftop solar photovoltaic systems, and other renewable resources. Co-promote the California Energy Commission Emerging Renewables Buydown Program to help finance (or reduce) initial system cost.

10. CONSISTENCY WITH GENERAL PLAN

At the time that the Housing Element was adopted (2001), the Housing Element was consistent with other Elements of the current General Plan. However, at the same time that the Housing Element was being revised in 2001, the City was in the process of updating the rest of the General Plan Elements.

During the 2001-2002 General Plan Update process, the City will review proposed revisions to all Elements of the General Plan to determine whether they are consistent with the 2001-2006 Housing Element. The City will ensure that any adopted revisions to the General Plan during the update process are consistent with the 2001-2006 Housing Element.

During the 2001-2006 period of the Housing Element, the City will also ensure that any further revisions to the General Plan, Redevelopment Plan, Capital Improvement Plan, and Zoning Ordinance are consistent with the adopted Housing Element.

11. PUBLIC PARTICIPATION

In 2000, a survey was commissioned by the City of Cupertino to determine the satisfaction of residents with City efforts and services. The survey was conducted by Godbe Research and Analysis in May 2000.

When residents were asked to name the two most important issues in Cupertino, affordable housing (37%) and traffic (33%) were mentioned most often. The survey also asked residents if they would support high-density housing in areas such as De Anza and Stevens Creek Boulevards. Respondents were almost equally divided between those who said they would “definitely” or “probably” support the idea and those that would “definitely” or “probably” oppose this type of density.

Later in the year in October 2000, the Cupertino Community Congress was held and attended by 140 residents and community leaders. Housing was one of the top issues that was identified as a challenge for the Cupertino community. In large and small discussion groups, participants identified some of the areas in housing that need further attention. Specifically, the housing situation was noted as presenting the following “challenges:”

- a. collaboration with other cities in the area,
- b. affordable housing for “special need” households, and
- c. high-density housing will pose other problems (transportation, infrastructure, etc.)

In answer to the question, “What should be done first?”, residents identified the following:

- a. provide more affordable housing,
- b. give company stock to teachers,
- c. promote in-law units,
- d. City workshops to train people to rent out spaces,
- e. create attractive alternative housing for seniors.

As the draft Housing Element was developed in mid-2001, the City held several public workshops and study sessions as follows:

June 22, 2001	City Council Study Session
July 9, 2001	Housing Committee and Planning Commission Study Session
July 17, 2001	Community Meeting at Cupertino Senior Center
August 27, 2001	Planning Commission Study Session
September 10, 2001	Planning Commission Study Session
October 15, 2001	City Council Public Hearing/Adoption of Element

In addition to the above meetings/workshops, the draft Housing Element document was available for a 60 day review period at City Hall, the City library, the Senior Center and the Cupertino Community Center. Further, the draft Housing Element was also accessible online on the City’s web site.

CITY
SURVEY

COMMUNITY
CONGRESS

PUBLIC
PARTICIPATION
DURING
HOUSING
ELEMENT
PREPARATION
PROCESS

APPENDIX

Appendix materials include:

- Page 81 Reference Materials
- Page 82 Organizations and Inventory of
Affordable Housing Service Agencies
- Page 83 Summary of Affordable Housing Fund
- Page 84 Table Comparing 1993 Housing Element
Policies to Objectives Achieved

REFERENCE MATERIALS

RESOURCES USED IN DEVELOPMENT OF 2001-2006 HOUSING ELEMENT:

Area Agencies on Aging (Alameda County, Contra Costa County, Santa Clara County, San Mateo County and San Francisco County), "Coming of Age in the Bay Area," 1999

California Budget Project, "Locked Out: California's Affordable Housing Crisis", May 2000

County of Santa Clara, Housing and Community Development Program, "Consolidated Plan, 2000-2005" March 2001

County of Santa Clara, Housing and Community Development Program, "Consolidated Annual Performance and Evaluation Report," September 28, 2000

Housing California, "The Long Wait: A Critical Shortage of Housing in California" April 2000

State of California, Department of Housing and Community Development "Raising the Roof: California Housing Development Projections and Constraints" May 2000

www.hcd.ca.gov/hpd/hrc/rtr

State of California, Department of Housing and Community Development "The State of California's Housing Markets 1990-97" January 1999

www.hcd.ca.gov/hpd/hrc/plan/shp

ORGANIZATIONS AND WEB SITE ADDRESSES:

Association of Bay Area Governments (ABAG)

www.abag.ca.gov

City of Cupertino

www.cupertino.org

State of California, Department of Housing and Community Development

www.hcd.ca.gov

State of California, Department of Rehabilitation

www.dor.ca.gov

State of California, Employment Development Department

www.edd.ca.gov

Clearinghouse for Affordable Housing and Community Development Finance

www.hcd.ca.gov/clearinghouse

INVENTORY OF HOUSING SERVICE AGENCIES

(Information current as of Summer, 2001)

Non-Profit Organization	Contact Person	Phone
Asian Law Alliance	Richard Konda	287-9710
BRIDGE Housing	Carol Galante	415-989-1111
Catholic Charities	Dan Wu	282-1130
Cupertino Community Services	Jaclyn Fabre	255-8033
Community Developers		279-7676
Community Solutions	Paula Gann	779-2113
Community Technology Alliance	Ray Allen	437-8800
Economic and Social Opportunities	Paul Tatsuta	971-0888
Emergency Housing Consortium	Barry del Buono	686-1300 x22
Innvision	Christine Burroughs	292-4286
Mental Health Advocacy Project	Kyra Kazantis	294-9730
Mid-Peninsula Citizens for Fair Housing	Ife Asantewa	650-327-1718
Mid-Peninsula Housing Development		650-299-8000
Project Match	Bob Campbell	287-7121
Project Sentinel	Ann Marquart	650-321-6291
Sacred Heart Community Service	Barbara Zahner	278-2181
St. Joseph's Family Center	Marge Albaugh	842-6662
St. Vincent De Paul Society	Steve Pehanich	298-7290
Silicon Valley Independent Living Center	Cheryl Cairns	985-1243
Social Advocates for Youth	Bea Lopez	253-3540
Support Network for Battered Women	Lisa Strickland	650-940-7850
Unity Care Group	Andre Chapman	281-4268
Watch	Mary Rose Delgadillo	271-9422

AFFORDABLE HOUSING FUND SUMMARY (Figures Accurate as of Summer, 2001)

Income:

1993	\$300,000 (estimated)
1994	\$200,000 (estimated)
1995	\$200,000 (estimated)
1996	\$ 33,702
1997	\$327,613
1998	\$775,069
1999	\$ 56,113
2000	\$204,805
<u>2001</u>	<u>\$297,912</u>
TOTAL	\$2,395,214

Expenditures:

\$ 98,370	Pacific Autism Center for Education (PACE) Housing
\$315,500	Community Housing Developers for Beardon Purchase
\$417,000	Community Housing Developers for Stevens Creek Village
\$103,625	Cupertino Community Services for Greenwood Transitional
\$ 52,398	Cupertino Community Services for Affordable Placement Program
<u>\$1,282,810</u>	Cupertino Community Services for Heart of Cupertino Development (Committed/Not Yet Expended as of Summer, 2001)
\$2,269,703	TOTAL

COMPARISON OF 1993 HOUSING ELEMENT POLICIES TO OBJECTIVES ACHIEVED 1993-2000

<i>POLICY (Summary)</i>	<i>SUMMARY OF PROGRESS</i>	<i>2001 ACTION</i>
Policy 3-1 Housing Potential		
Provide for 1,500 units in existing non-residential areas.	See strategies below.	
Prepare specific plans: Heart of the City, Vallco, North DeAnza, Bubb.	Heart of the City Specific Plan adopted in 1995.	See Policy 3-1, Program 1. Planning districts still included, specific plans not called for.
Housing mitigation program: new office/ind. Pays in-lieu fee. New res. Provides 10% BMR.	Housing mitigation program generated 140 BMR units (rental and ownership).	See Policy 3-3, Program 6 (calls for new nexus study) and Program 7 (calls for 15% BMR requirement)
Policy 3-2 Total Allowed Housing Units		--
Allow a total of 2,587 housing units.	264 units added between 1990-1995, 10% of the objective.	See Policy 3-1, Programs 1 – 5 that identify 2,325 plus a potential of 500 more units for this planning period.
Policy 3-3 Promotion of Neighborhood Housing		
Promote neighborhood housing by providing property owners with information.	Ongoing	Ongoing, and see Program 13 for affordable housing information and support.
Policy 3-4 Density Bonus		
Encourage high-density affordable housing with density bonuses.	Although the City provided a density bonus program, few developments have taken advantage of it.	See Program 14, Density Bonus Program
Policy 3-5 Mandatory Residential Locations		
Consider specific locations for mandatory residential or mixed use (Bandle Drive, Bubb Road, etc.).	There were no "mandatory" sites established.	Not included.

COMPARISON OF 1993 HOUSING ELEMENT POLICIES TO OBJECTIVES ACHIEVED 1993-2000(CONTINUED)

<i>POLICY (Summary)</i>	<i>SUMMARY OF PROGRESS</i>	<i>2001 ACTION</i>
Policy 3-6 Surplus School and Church Site Development		
Consider surplus school and urban church sites for higher density and mixed use housing.	Policy 3-6 was considered but no parcels were developed during the time frame of the Housing Element.	See Program 11, Surplus Property for Housing
Policy 3-7 Additional Study Areas		
Consider other areas such as Stelling between 280 and Stevens Creek, etc.	Not studied.	Not included.
Policy 3-8 Transfer of Development Credit Density Bonus		
Allow a density bonus if TDC program is adopted.	The TDC program was never adopted.	Not included.
Policy 3-9 Discount Parking Standards		
Discount parking standards for mixed use development.	Several projects used discounted standards, such as Pinn Brothers (Stevens Creek and Blaney) and CCS (Stevens Creek and Vista)	See Program 15 Regulatory Incentives
Policy 3-10 Development Standards		
Set landscaping, open space and setback standards so there are minimum standards that must be met.	"Heart of the City" Specific Area Plan is an example of a city plan that establishes minimum development standards.	Not included.
Policy 3-11 Design Standards.		
Set high standards of design for high density/mixed use projects.	"Heart of the City" plan also included high standards of design.	Not included.
Policy 3-12 Accessory Housing Units		
Allow accessory housing units on certain lots in single family districts.	Second Unit Program (Accessory Units) produced 14 units, as of April 2001.	See Program 4 Second Dwelling Unit Ordinance.

<i>POLICY (Summary)</i>	<i>SUMMARY OF PROGRESS</i>	<i>2001 ACTION</i>
Policy 3-13 Affordable Housing Sites		
Identify sites for very low, low and moderate income housing.	CCS site was identified.	See Program 13, Affordable Housing Information and Support
Policy 3-14 Creative Finance Methods		
Foster a conducive environment for attracting low and moderate prices housing programs financed by other levels of government.	The "Heart of Cupertino" affordable housing project is an example of a project assisted with federal and local funds. The 24-unit rental development has been approved will be built on land owned by the Fire District.	Not included.
Policy 3-15 County, State and Federal Programs		
Participate in available county, state and federal programs that promote or provide housing.	See above.	Not included.
Policy 3-16 HCD Funds		
Continue to make HCD funds available to developers.	On-going	Not included.
Policy 3-17 HCD Funds Availability		
Make available HCD or general funds for site acquisition for low and very low priced housing.	On-going	Not included.
Policy 3-18 Use of City Funds		
Use City funds for affordable rental housing to low and very low-income households.	The City committed approximately \$1.2 million for the "Heart of Cupertino" development.	Not included.

COMPARISON OF 1993 HOUSING ELEMENT POLICIES TO OBJECTIVES ACHIEVED 1993-2000(CONTINUED)

<i>POLICY (Summary)</i>	<i>SUMMARY OF PROGRESS</i>	<i>2001 ACTION</i>
Policy 3-19 Priority Processing		
Give priority processing to applications that provide very low, low and moderate income housing.	Priority processing was available to affordable housing development.	See Program 15, Regulatory Incentives.
Policy 3-20 Article 34 Referendum		
Place the issue of affordable housing on the ballot to obtain Article 34 referendum authority.	Countywide Article 34 Referendum was approved.	Not included. No longer necessary since referendum was approved.
Policy 3-21 Market Rate to Affordable Rental Units		
Encourage the conversion of existing market rate rental units to affordable rental units.		Not included.
Policy 3-22 Long-Term Leases		
Encourage long-term leases of property from churches, etc. for construction of affordable units.	A long-term lease was executed for the "Heart of Cupertino" development.	See Program 11, Surplus Property for Housing
Policy 3-23 Priority Placement		
Give first priority in any affordable housing projects to individuals who reside, work, attend school or have family in Cupertino.	Priority to Cupertino households is provided in the City's BMR processing guidelines.	See Program 7, Housing Mitigation Plan: Residential Mitigation
Policy 3-24 Affordable Rent Schedule		
Utilize the City's Affordable Rent Schedule as a guideline in setting rents for new affordable housing.	On-going.	See Program 7, Housing Mitigation Plan: Residential Mitigation
Policy 3-25 Rent Schedule Update		
Update the rent schedule each year as new income guidelines are received.	The rent schedule is updated each year.	See Program 7, Housing Mitigation Plan: Residential Mitigation

COMPARISON OF 1993 HOUSING ELEMENT POLICIES TO OBJECTIVES ACHIEVED 1993-2000(CONTINUED)

<i>POLICY (Summary)</i>	<i>SUMMARY OF PROGRESS</i>	<i>2001 ACTION</i>
Policy 3-26 Office/Industrial Mitigation		
Mitigate new office/ind. development by providing an in-lieu fee.	The City has collected Office/Industrial Mitigation Fees and those fees have been deposited in the City's Affordable Housing Fund.	See Program 6, Housing Mitigation Plan: Office and Industrial Mitigation
Policy 3-27 Waive Fees		
Waive park fees and construction tax for any affordable units.	The City has waived park fees and construction taxes for affordable units.	See Program 15, Regulatory Incentives
Policy 3-28 Early Public Involvement		
Involve public from the beginning when affordable housing is planned.	Public input was obtained prior to public hearings on the "Heart of Cupertino" development.	See Program 13, Affordable Housing Information and Support
Policy 3-29 Housing on Employment Center Sites		
Locate housing units on employment center sites or in areas that could be designated for higher density housing.	Several housing developments, such as two large apartment projects near Wolfe Road and I-280, were constructed.	See Program 16, Residential and Mixed Use Opportunities in or Near Employment Centers
Policy 3-30 Residential Participation in BMR Program		
Require every residential development to participate in the BMR program.	The City's BMR Program has generated 105 rental units and 35 homeowner units, for a total of 140 units. The program requires 10% of all new residential development to either provide on-site units or to pay an in-lieu fee (projects of 9 units or less).	See Program 7, Housing Mitigation Plan: Residential Mitigation

COMPARISON OF 1993 HOUSING ELEMENT POLICIES TO OBJECTIVES ACHIEVED 1993-2000(CONTINUED)

<i>POLICY (Summary)</i>	<i>SUMMARY OF PROGRESS</i>	<i>2001 ACTION</i>
Policy 3-31 On-Site BMR Units		
Emphasize on-site development of the BMR units. Second priority is off-site BMR units within City limits.	See above.	See Program 7, Housing Mitigation Plan: Residential Mitigation
Policy 3-32 Land In-Lieu of BMR		
Allow developers to meet their BMR requirements by making land available to construct affordable housing.	All developers are informed that this option is available. To date, none have taken advantage of this opportunity.	See Program 7, Housing Mitigation Plan: Residential Mitigation
Policy 3-33 10% BMR Requirement		
Require 10% of a residential development to be BMR units.	See Program 3-30.	See Program 7, Housing Mitigation Plan: Residential Mitigation
Policy 3-34 Waive Fees		
Waive park dedication fees for affordable units.	See Program 3-27.	See Program 15, Regulatory Incentives
Policy 3-35 In Lieu fee		
Assess an in-lieu fee for developments of less than ten units.	In-lieu fees are collected.	See Program 7, Housing Mitigation Plan: Residential Mitigation
Policy 3-36 BMR Time Requirement		
Require BMR units to remain affordable for a minimum of 30 years.	The BMR Program requires that affordability or resale restrictions apply for a 99 year time period.	See Program 7, Housing Mitigation Plan: Residential Mitigation
Policy 3-37 Utilization of In-Lieu Fees		
Establish priorities for utilization of in-lieu fees the City receives.	The City has collected approximately \$2 million in in-lieu fees over the past decade. (See Appendix for use of the fund.)	See Program 8, Affordable Housing Fund

<i>POLICY (Summary)</i>	<i>SUMMARY OF PROGRESS</i>	<i>2001 ACTION</i>
Policy 3-38 Finance Strategies		
Investigate and encourage various financing strategies, including ... a redevelopment agency.	A Redevelopment Project Area has been established.	See Program 17, Redevelopment Housing Set-Aside Funds
Policy 3-39 Housing Endowment Program		
Create a Housing Endowment Program for the creation of affordable housing units.	The Housing Endowment Program was not created. The City's Affordable Housing Fund was developed instead.	Not included.
Policy 3-40 Adequate Reserves		
Ensure the long-term viability of affordable housing projects by requiring the developer to provide an adequate reserve for long-term maintenance.	Not implemented.	Not included.
Policy 3-41 Mobile Homes and Pre-fabricated Homes		
Permit the construction of mobile homes and pre-fabricated houses subject to regulations and codes.	Mobile homes and pre-fabricated houses are permitted but none have been built during the time frame of the Housing Element.	Not included.
Policy 3-42 Condominium Conversion		
Conversion of rental multi-family housing to condominiums will not be permitted if it significantly diminishes the present number of rental units in Cupertino or reduces the ratio of ownership -to-rental units.	There were no conversions of apartments to condominiums.	See Program 23, Condominium Conversions

COMPARISON OF 1993 HOUSING ELEMENT POLICIES TO OBJECTIVES ACHIEVED 1993-2000 (CONTINUED)

<i>POLICY (Summary)</i>	<i>SUMMARY OF PROGRESS</i>	<i>2001 ACTION</i>
Policy 3-43 Conversions Remaining Low/Moderate Income		
Prior to condominium conversions, ensure that a significant portion of the converted units remain part of the low and moderate income housing stock.	See above.	Not included.
Policy 3-44 Structural Upgrading		
Prior to conversion, ensure that the project has been upgraded to eliminate hazards and to meet current development standards.	See above.	Not included. Structural upgrading is required by law anyway. Stating the obvious.
Policy 3-45 Temporary Emergency Shelter		
Work with local organizations to provide a temporary emergency shelter that would rotate	The "Rotating Shelter" Program has been operative and is currently managed by Cupertino Community Services.	See Program 29, Cupertino Community Services (Homeless Services)
Policy 3-46 Maintenance of Public Property		
Continue the high quality maintenance of public areas and trash pick-up program.	On-going.	See Program 26, Neighborhood and Community Cleanup Campaigns
Policy 3-47 Code Enforcement Efforts		
Continue current code enforcement efforts.	The City has continued to enforce current codes and supports all neighborhood efforts to maintain and/or improve residential properties.	Not included.
Policy 3-48 Neighborhood Cooperation		
Support local neighborhood improvement districts and homeowner associations.	See above.	See Program 18, Housing Rehabilitation Program

COMPARISON OF 1993 HOUSING ELEMENT POLICIES TO OBJECTIVES ACHIEVED 1993-2000(CONTINUED)

<i>POLICY (Summary)</i>	<i>SUMMARY OF PROGRESS</i>	<i>2001 ACTION</i>
Policy 3-49 Residential Property Maintenance		
Encourage citizens to maintain residential properties to enhance the character of Cupertino.	See above.	See Program 25, Conservation and Maintenance of Affordable Housing. See Program 26, Neighborhood and Community Cleanup Campaigns
Policy 3-50 Code Inspection Program		
Continue to offer a presale code inspection program for residential structures.	Not offered.	Not included.
Policy 3-51 Housing Rehabilitation Loan Program		
Continue participation in the Housing Rehabilitation Loan Program.	The City has continued to provide housing rehabilitation assistance through the Urban County program. Assistance was available for both single-family and multi-family units.	See Program 18, Housing Rehabilitation Program
Policy 3-52 Expansion of Rehabilitation Activities		
Investigate other government funded programs available for expansion of rehabilitation activities.	See above.	See Programs 19, Home Access Program. Program 20, Weatherization Program. Program 21, Apartment Acquisition and Rehabilitation. Program 22, Preservation of "At Risk" Units.
Policy 3-53 Substandard Housing Rehabilitation		
Encourage the upgrading and rehabilitation of substandard housing.	See above.	Not included.
Policy 3-54 Loan Programs		
Provide information on loan programs.	See above.	See Programs 19, 20, 21 and 22

COMPARISON OF 1993 HOUSING ELEMENT POLICIES TO OBJECTIVES ACHIEVED 1993-2000(Continued)

<i>POLICY (Summary)</i>	<i>SUMMARY OF PROGRESS</i>	<i>2001 ACTION</i>
Policy 3-55 Energy Conservation Techniques		
Actively promote energy conservation techniques and energy efficiency in building design.	The City has actively enforced Title 24 regulations and encourages energy conservation in all developments.	See Programs 27, Energy Conservation Opportunities. Program 28 Fee Waivers or Reductions For Energy Conservation
Policy 3-56 Solar Energy		
Re-examine the residential zoning ordinance to ensure solar energy use is not inhibited.	See above.	See Program 27, Energy Conservation Opportunities
Policy 3-57 Energy Conservation Programs		
Investigate energy conservation program being implemented by other California cities.	Not investigated.	See Program 27, Energy Conservation Opportunities
Policy 3-58 Discrimination		
Support efforts of organizations which are working toward eliminating discrimination in the Cupertino area.	The Santa Clara County Fair Housing Consortium assists Cupertino residents with discrimination and housing complaints.	See Program 32, Santa Clara County Fair Housing Consortium
Policy 3-59 Voluntary Mediation Board		
Refer landlord/tenant complaints to a voluntary mediation board established by the City and operated by Project Sentinel.	See above.	See Program 32, Santa Clara County Fair Housing Consortium

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